Judicial Takings or Due Process?

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Judicial Takings or Due Process?

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Abstract

In *Stop the Beach Renourishment v. Florida Department of Environmental Protection*, 130 S. Ct. 2592 (2010), a plurality of the Supreme Court concluded that the Takings Clause of the United States Constitution prohibits the judiciary from declaring that “what was once an established right of private property no longer exists” unless the property owner in question receives just compensation. In this paper, we delineate the boundaries between a judicial taking and a violation of the Constitution’s due process protections. The result is a judicial takings doctrine that is narrower and more coherent than the one suggested by *Stop the Beach*.

Our argument proceeds in two parts. The first is a conceptual section that explains what factors are relevant to determining whether a judicial action diminishing a private property interest is a judicial taking or something else. In our view, where a judicial decision intentionally seizes private property in order to achieve a legitimate public end, the Takings Clause is an appropriate framework for evaluating the constitutionality of the state’s action. Due Process is the more appropriate doctrinal pathway where the judiciary does not intend to abrogate a private owner’s property rights, or where the diminution of private property rights results from a judicial action that serves no legitimate public purpose. By clarifying the boundaries of judicial takings, we also hope to shed light on the constitutional foundation for numerous state-court doctrines concerning the retroactivity of new property rules. The second section articulates a novel functional argument, which suggests that creating liability for judicial takings may cause litigants to underinvest in high quality legal representation, which will in turn increase the likelihood of judicial mistakes and contribute to the destabilization of existing entitlements. This phenomenon prompts us to argue that cases in which the underinvestment incentives are most pronounced should be litigated under the Due Process Clause, but cases where repeat-play or the government’s involvement as a litigant mitigates the underinvestment problem represent more appropriate vehicles for judicial takings treatment. What rides on the distinction between judicial takings and due process violations? Under our approach, judicial takings cases should be (a) easier to win than due process cases, (b) more likely to result in damages remedies than injunctive remedies, and (c) may lend themselves to attractive “comparative fault” inspired solutions.

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In *Stop the Beach Renourishment v. Florida Department of Environmental Protection*, a plurality of the Supreme Court held that the Takings Clause of the United States Constitution prohibits the judiciary from declaring that “what was once an established right of private property no longer exists” unless the property owner in question receives just compensation. In the process, *Stop the Beach* became the first Supreme Court decision to embrace the doctrine of “judicial takings.” In this paper, we ask readers to assume the correctness of the plurality’s conclusion that there is such a thing as a judicial taking. In light of that assumption, our goal will be to delineate the boundaries between a judicial taking and a violation of the Constitution’s due process protections. Along the way, we will show how the doctrine of judicial takings might be feasibly constrained in a manner that does not prevent courts from making necessary clarifications about the scope of entitlements.

This effort at boundary drawing is an academic exercise with real world significance. *Stop the Beach* resulted in a heated split between the four justices in the plurality, who wanted any judicial abrogation of existing property rights to be dealt with via the Takings Clause, and Justices Kennedy and Sotomayor, who concurred in the *Stop the Beach* result but thought that cases like it ought to be decided under due process analysis. This dispute between Justices Scalia and Kennedy, over the appropriate doctrinal hook for dealing with judicial abrogation of existing entitlements, extended into a further disagreement over the appropriate remedies in those cases, as between damages and injunctive relief. We shall begin by describing those two core disagreements, along with the relevant intricacies of Florida real property law, which was at issue.

The story of *Stop the Beach* actually began in 1927. That was the year Babe Ruth and Lou Gehrig anchored Murderers’ Row, the most feared lineup in baseball history. More obscurely, it was the year of *Martin v. Busch*, a Florida Supreme Court opinion holding that when the state creates new dry land out of what had previously been publicly owned submerged land, the new land belongs to the state, not the private owner of the dry land that had previously abutted the water’s edge. This was the result notwithstanding the common law doctrine of accretion, which gives the private owner of adjacent dry land ownership over any submerged lands that become dry lands as a result of gradual recessions of the water’s edge. The result in *Martin* mapped on to the way the common law had long treated avulsions, instances in which the water suddenly recedes to create new dry land. Such newly created dry land has for generations belonged to whomever owned the soil while it was still submerged, and *Martin* held that the state’s causal role in the avulsion made no difference.

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1 130 S. Ct. 2592 (2010).

2 We harbor some doubts as to the desirability of recognizing a judicial taking, and much of the analysis we provide in this paper, which suggests that the universe of judicial takings should not be large, can be used by those seeking to defend a more maximalist (or arguably minimalist) proposition, which is that there ought to be no such thing as a judicial taking.

3 *Martin v. Busch*, 112 So. 274, 287 (Fla. 1927).

4 *Stop the Beach*, 130 S. Ct. at 2598.

5 *Id*.

6 *Martin*, 112 So. at 287.
The facts of Stop the Beach were very close to those of Martin. In Stop the Beach, Destin, Florida sought to restore 6.9 miles of beach that had been eroded by multiple hurricanes. It proposed to do so by dredging submerged sand and dumping it onto the spot where the water met the sand. In some places, this process would widen the beach by approximately 75 feet toward the water. The state would own this newly re-created beachfront, and the private property owners whose land previously extended to the high tide line would now have the publicly owned sand lying between their property and the water’s edge at high tide.7 The private property owners argued that the widening of this beach deprived them of their right to access the water directly from their property and the right to expand the size of their beachfront property via accretions, asserting a violation of the Takings Clause. After the Florida courts ruled against the property owners, they sought certiorari in the United States Supreme Court, asserting that the Florida courts had engaged in a judicial taking by abrogating the property owners’ rights to direct water access and accretion.8 Critically, neither the briefs in the Florida courts nor any of the state judicial opinions cited Martin v. Busch. Rather, the briefing focused on property precedents that were less squarely on point.

Thanks to an amicus brief filed by the Solicitor General, which brought Martin v. Busch to the justices’ attention, the Supreme Court realized that the Florida courts had not changed their property rights at all, and the Stop the Beach plaintiffs had never had any entitlement to prevent the state from widening the beach and claiming the widened portion as state property. With Justice Stevens recused, all eight remaining justices agreed that in light of the answer to this property question, there was no judicial taking in Stop the Beach.9 For Justices Breyer and Ginsburg, that was that, and the opinion need not have reached the constitutional question of whether there was any such thing as a judicial taking. It was enough to say that the facts before the Court presented no judicial taking.10

Justice Scalia, writing for Chief Justice Roberts, Justice Thomas, and Justice Alito, saw things differently. He wrote that the Constitution does protect property owners against takings effectuated by the judiciary, in the same way that it protects them against takings perpetrated by legislatures or executives. In the plurality’s view, “it would be absurd to allow a State to do by judicial decree what the Takings Clause forbids it to do by legislative fiat.”11 Thus, the plurality concluded, “if a legislature or a court declares that what was once an established right of private property no longer exists, it has taken that property, no less than if the State had physically appropriated it or destroyed its value by regulation.”12

While the Breyer concurrence was short and minimalist, Justice Kennedy’s concurrence (written on behalf of himself and Justice Sotomayor) was not. Elaborating an approach that he

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7 Stop the Beach, 130 S. Ct. at 2600.
8 Id. at 2600-01.
9 Id. at 2611 (“Thus, Florida law as it stood before the decision below allowed the State to fill in its own seabed, and the resulting sudden exposure of previously submerged land was treated like an avulsion for purposes of ownership. The right to accretions was therefore subordinate to the State’s right to fill.”).
10 Stop the Beach, 130 S. Ct. at 2619 (Breyer, J., concurring).
11 Id. at 2601.
12 130 S. Ct. at 2602.
had advocated in earlier Supreme Court concurrences, Justice Kennedy argued that the most appropriate framework for deciding cases in which a judicial decision resulted in a litigant’s loss of an existing entitlement would be the Due Process Clause of the Constitution, not the Takings Clause. But in *Stop the Beach* he did not want to decide the question of whether the Takings Clause might ever prohibit judicial conduct that the Due Process Clause permits. The plurality fired back, accusing Justice Kennedy of advocating the improper importation of separation of powers considerations into due process jurisprudence, suggesting that Kennedy’s approach is directly contrary to existing precedent, arguing that Kennedy’s favored methodology would repeat the mistakes of the *Lochner* era by protecting economic liberties via substantive due process, and pointing out that a substantive due process approach would raise many of the practical objections that Justice Kennedy launched against the judicial takings approach.

The plurality and Kennedy concurrence also differed sharply over a second key point, one that closely relates to the question of which approach is superior for these sorts of injuries. That was the remedial question. Prior to *Stop the Beach*, the law had for decades stated the remedy for a takings violation rather clearly: Where the government violates the Takings Clause, the remedy is compensation for the period the violation is in place, but when its action violates the Due Process Clause, compensation is not sufficient and the government action must be invalidated. As the unanimous Court put it in *Lingle v. Chevron*

The [Takings] Clause expressly requires compensation where government takes private property “for public use.” It does not bar government from interfering with property rights, but rather requires compensation “in the event of otherwise proper interference amounting to a taking.” Conversely, if a government action is found to be impermissible—for instance because it . . . is so arbitrary as to violate due process—that is the end of the inquiry. No amount of compensation can authorize such action.

The Supreme Court’s decision in *Stop the Beach* threw the remedial question into a state of uncertainty, at least where judicial takings are concerned. According to Justice Kennedy’s concurrence, a hypothetical jurisdiction whose new property rules were deemed a judicial taking would usually have to pay damages, but could in limited circumstances face a choice between paying damages and re-embracing the content of their earlier property precedents:

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13 *Id.* at 2614-15 (citing his previous opinions in *Eastern Enterprises v. Apfel*, 524 U.S. 498 (1998), and *Lingle v. Chevron USA Inc.*, 544 U.S. 528 (2005)).
14 *Id.* at 2618 (Kennedy, J., concurring).
15 *Id.* at 2618 (“If and when future cases show that the usual principles, including constitutional principles that constrain the judiciary like due process, are somehow inadequate to protect property owners, then the question whether a judicial decision can effect a taking would be properly presented. In the meantime, it seems appropriate to recognize that the substantial power to decide whose property to take and when to take it should be conceived of as a power vested in the political branches and subject to political control.”).
16 *Id.* at 2605-06 (plurality op.).
It appears under our precedents that a party who suffers a taking is only entitled to damages, not equitable relief. It makes perfect sense that the remedy for a Takings Clause violation is only damages, as the Clause “does not proscribe the taking of property; it proscribes taking without just compensation.”


It is thus questionable whether reviewing courts could invalidate judicial decisions deemed to be judicial takings; they may only be able to order just compensation. If a single case were to properly address both a state court’s change in the law and whether the change was a taking, the Court might be able to give the state court a choice on how to proceed if there were a judicial taking. The court might be able to remand and let the state court determine whether it wants to insist on changing its property law and paying just compensation or to rescind its holding that changed the law.19

Justice Scalia’s plurality opinion brushed aside Justice Kennedy’s conclusion that compensation would be the primary remedy for judicial takings. As the plurality saw it, a compensation “remedy is even rare for a legislative or executive taking, and we see no reason why it would be the exclusive remedy for a judicial taking.”20 The plurality continued, noting that if the Court “were to hold that the Florida Supreme Court had effected an uncompensated taking in the present case, we would simply reverse the Florida Supreme Court’s judgment that the Beach and Shore Preservation Act can be applied to the property in question.”21 If the plurality’s approach to judicial takings is adopted by a majority in a subsequent case, then the usual remedy in a judicial takings suit would be the reversal of a lower court ruling that had tried to abrogate a preexisting entitlement.22 Note in particular the deep tension between the *Stop the Beach* plurality and the *Lingle* Court’s unanimous 2005 opinion.

If the remedies for both Takings Clause and Due Process Clause violations are identical—invalidation of the offending state action—then properly allocating claims between the two clauses arguably becomes a lower stakes affair. Eliminating the traditional remedial consequences of the distinction would not, however, completely vitiate the significance of the choice of clauses. For starters, Justice Scalia did not take the position that damages would be unavailable for judicial takings violations. He only said that the usual remedy in the case of a judicial taking would be to invalidate the judicial decision giving rise to the violation. If a state created a mechanism to provide compensation for owners who suffer judicial takings, the Takings Clause would certainly permit the state to opt for the damages remedy.23

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19 *Stop the Beach*, 130 S. Ct. at 2617 (Kennedy, J., concurring).
20 *Id.* at 2607 (plurality op.).
21 *Id.*
23 Oregon’s Measure 37 might constitute a useful data point concerning how local governments may respond when given a choice between compensating affected landowners and rescinding a regulation. That law required land use regulators to either compensate owners when new land use restrictions reduced the value of their land (to any extent) or to exempt the complaining landowner from the new rule. In the few years the law was in effect, governments
hand, a state action that violates the Due Process Clause must be invalidated, without regard to
the payment of damages.24

The core dispute between Justices Scalia and Kennedy is the central question we address
in this paper: Assuming that there should be a remedy of some sort for instances in which courts
abrogate preexisting private property rights, when does it make sense to proceed via a judicial
takings remedy, and when does it make sense to resolve the dispute using a due process
framework? In answering this question, we will begin to describe some of the decisive
institutional considerations that should affect the analysis and flesh out how the law may develop
in the coming years. The remedial question, which represented the second main bone of
contention between the Scalia plurality and the Kennedy concurrence, will be a critical
component of that analysis.

Our paper proceeds as follows. Part I identifies the salient textual, structural, and
precedential arguments that might help us distinguish between those courts’ interferences with
property rights that implicate the Takings Clause and those that implicate the Due Process
Clause. The key factor in our framework is intent. Where a judicial decision intentionally seizes
private property in order to achieve a legitimate public end, the Takings Clause is the best
framework for evaluating the constitutionality of the state’s action. Due Process is the more
appropriate doctrinal pathway where the judiciary does not intend to abrogate a private owner’s
property rights, as well as when the diminution of private property rights results from a judicial
action that serves no legitimate public purpose. Other relevant factors in our analysis include
whether the private property in question is retained for a public purpose, and whether the
judiciary and another branch of government have coordinated their actions in an effort to
circumvent the Takings Clause’s limitations on legislative and executive action. The main thrust
of this part is to lay the foundation for our discussion of judicial takings by spelling out in
general terms the proper scope of the Takings Clause, in the process correcting misimpressions
that have developed in the takings literature and some of the case law.

Part II then presents the core original thesis of the paper, providing a functional account
that further helps differentiate judicial takings from due process violations. On our account, there

invariably opted to exempt the landowner from the regulation. See John D. Echeverria, Property Values and Oregon
Measure 37 at 5 (2007) (report on file with authors and available at
http://www.law.georgetown.edu/gelpi/GELPIMeasure37Report.pdf) (citing See Measure 37 Database, Institute of
Portland Metropolitan Studies, Portland State University, available at www.pdx.edu/ims/m37database.html.). Part of
the problem, however, may have been that the law required compensation to come from a fund specifically
designated for the purposes of Measure 37 compensation. In his account to of Lucas v. South Carolina Coastal
Council, William Fischel observed that, after being required to purchase David Lucas’s waterfront property as a
result of his successful inverse condemnation action see Lucas v. South Carolina Coastal Council, 309 S.C. 424
(1992), the State of South Carolina opted to sell the property for development rather than keep it in undeveloped – as
it had forced Lucas to do. See William A. Fischel, Takings and Public Choice: The Persuasion of Price, in THE
ENCYCLOPEDIA OF PUBLIC CHOICE 549, 552(Charles Kershaw Rowley ed. 2003). Fischel views this as evidence of
the cost-internalizing effects of compensation on government actors. See id. Vicki Been favors a more political
interpretation of South Carolina’s behavior, noting that, by the time it was forced to purchase the property from
Lucas, the state had already significantly eased the regulatory regime that had motivated Lucas’s original lawsuit in
response to pressure from waterfront owners in the wake of the destructive hurricane Hugo, a category 4 storm that
severely damaged homes along the South Carolina coast in 1989. See Vicki Been, Lucas v. The Green Machine, in
PROPERTY STORIES 221, 241-45 (Gerald Korngold & Andrew P. Morriss eds. 2004).

24See Lingle, 544 U.S. at 543.
is a key distinction between judicial decisions that diminish the value of private property and executive or legislative decisions that do the same. Because of the adversarial nature of the judicial process, private property owners themselves shoulder more of the blame for a judicial decision that diminishes the value of their private property than would be the case if a legislature or agency diminished the value of their property. On this logic, the availability of judicial takings causes of action act as a form of mandatory insurance, one that may diminish the incentives of property owners to invest in high-quality legal representation at the early stages of judicial proceedings. Such underinvestment may create negative externalities in the form of destabilized property doctrines as cases work their way from trial to appellate courts. Because we argue that repeat-play diminishes the underinvestment problem, we argue that cases involving repeat-player litigants are more appropriately treated as judicial takings cases, whereas those involving non-repeat-players ordinarily would implicate the due process clause. This functional analysis dovetails nicely with our discussion of the proper scope of the Takings Clause in Part I, because the biggest repeat player of them all in property litigation is the state. And property cases in which the state is a party lie at the heart of the category of judicial takings, properly defined. (As we will argue in Part II, however, the category of judicial takings includes some cases in which the state is not a party.)

Part III identifies some of the implications of treating a subset of disputes as judicial takings and others as due process cases. In our view, judicial takings cases should be (a) easier to win than due process cases, (b) more likely to result in damages remedies than injunctive remedies, and (c) may lend themselves to attractive “comparative fault” inspired solutions, whereas claimants litigating due process cases challenging judicial acts would face an uphill battle to prevail, with a series of remedies largely injunctive in nature and a landscape where doctrines like comparative fault would be unavailable to the courts. Although we draw on existing precedents to show why such different implications may flow from the divergent work that the Takings and Due Process Clauses are doing in the Fifth Amendment, our discussion in this part is as much normative as positive. Having shown that there may be sensible ways to differentiate among different types of cases, we defend the view that those differences are justifiable and important.

I. The Concept of Judicial Takings

Let us begin by considering two boundary dispute hypothetical scenarios. Assume that each of them involves a comparable economic loss.

Private Boundary Dispute: A and B own neighboring residential properties. In the course of making several improvements to their property, B built a set of concrete steps and a concrete walkway that inadvertently encroached roughly two feet onto A’s parcel. When A discovered the encroachment over twenty years later, he sued to have them removed. B claimed that he had acquired the land under the encroachment by adverse possession. A 1921 decision by the New Jersey high court had held that, in order to adversely possess, a claimant must show that she knew she was occupying land that did not belong to her. The trial court followed that precedent and, because the evidence showed that the B did not

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know he was encroaching, entered judgment for the A. On appeal, the New Jersey Supreme Court decides to repudiate its 1921 decision and follow the majority of American jurisdictions, which hold that an adverse possessor’s subjective state of mind to be irrelevant to her claim. As a consequence, B prevails.

Public-Private Boundary Dispute\(^{26}\): Hughes traces title to her oceanfront parcel in Washington State to an original purchaser from the federal government prior to Washington’s statehood. In its 1889 Constitution, Washington State asserts ownership of “the beds and shores of all navigable waters in the state up to and including the line of ordinary high tide, in waters where the tide ebbs and flows, and up to and including the line of ordinary high water within the banks of all navigable rivers and lakes.” The state has interpreted this language to confer on it ownership of accretions to waterfront parcels, in contradiction to the common law, which (at the time of the state constitution’s adoption and in most jurisdictions since) grants ownership of accreted land to the upland owner. Hughes sues Washington State, claiming she owns the accretions adjacent to her waterfront parcel. The state trial court rules that federal law at the time of the original grant governs the question and rules for Hughes. On appeal, the state supreme court holds that Washington State law determines the scope of property rights within the state, and adopts the state’s interpretation of the 1889 constitutional provision to Hughes land. Consequently, it rules that the State of Washington owns the accreted land.

In both hypotheticals, a landowner loses property, but in each case does it make sense to say that the state (acting through the courts) has taken property for public use without just compensation? Embedded within this question are two distinct, though related, issues. First, in what sense are courts properly understood as agents of the state such that judicial resolution of ostensibly private disputes constitutes an action on behalf of the state? Second, when is it appropriate to describe a court deciding a case in a way that impairs the property interests of one of the parties as taking property for public use so as to require just compensation by the state?

The first question raises tangled issues surrounding the doctrine of “state action.” “Takings” are something that the state does to property owners. The Stop the Beach plurality is committed to the idea that a judicial decision constitutes state action to the same degree as an action by any other branch of government.\(^{27}\) But, without substantial qualification, this simple equation leaves important questions unanswered. Does the plurality mean to suggest that any judicial application of state property law that imposes a loss on a private owner constitutes state action? If so, that would constitute a significant expansion of the state-action doctrine, in effect extending Shelley v. Kraemer to a very broad range of property cases. It would mean, for example, that any enforcement of a homeowners’ association rule depriving an owner of preexisting rights—say, by banning smoking in common areas—might constitute state action and could give rise to a takings suit.

\(^{26}\) The facts of this hypothetical are based on Hughes v. Washington, 389 U.S. 290 (1967).

\(^{27}\) See supra text accompanying notes 11-12.
It seems unlikely that the plurality intended such a dramatic shift in the law of state action. A more likely possibility is that the *Stop the Beach* plurality envisions a distinction between judicial lawmaking (i.e., law-changing) and judicial law-enforcement. The enforcement of an existing property law does not deprive someone of property they already had – even if it results in the owner losing a piece of property he previously possessed. This sort of judicial action merely activates existing limitations already embedded within their title.\(^{28}\) But when courts *change* the law they are acting as lawmakers. And it is only as a lawmaker altering existing property entitlements that the state can possibly take property from an owner for public use.\(^{29}\)

A. *The Constitutional Text*

Having narrowed the potential reach of the judicial takings analysis to situations in which judges change the law, the second question becomes the more challenging one. When does a judicial change in the law amount to a taking of property? Is it always the case that when someone loses property to which he was previously entitled because a court has changed a property rule that the state (through the court) has taken the property for public use within the meaning of the Takings Clause? Recall that there is certainly language in the *Stop the Beach* plurality suggesting as much. “If a legislature or a court declares what was once an established right of private property no longer exists,” the plurality says, “it has taken that property, no less than if the State had physically appropriated it or destroyed its value by regulation.”\(^{30}\) This simple equation of a loss due to a change in property rules with a “taking for public use” is only superficially appealing, a point driven home by the first hypothetical, the adverse possession case. When a state court loosens the rules governing adverse possession and applies the new rule to the parties before it, the consequence is that property that would not have changed hands under the old rule goes to the adverse claimant. The original owner has clearly lost property in the way apparently envisioned by the *Stop the Beach* plurality. The question is whether the mere fact that an owner suffers a loss at the hands of the state’s courts means the state has “taken” it “for public use” in a way that makes it analogous to the exercise of eminent domain and therefore triggers the compensation requirement of the Takings Clause.

Answering this question requires a broader consideration of exactly how – and against what – the Constitution protects private property. There is a tendency among commentators – understandable as much for historical reasons as hermeneutic ones – to try to make the “Takings Clause” an ultimate and all-purpose constitutional guarantor of private property rights.\(^{31}\) But the

\(^{28}\) *See Lucas v. South Carolina Coastal Council*, 505 U.S. 1003, 1029 (1992) (observing that a regulation that deprives an owner of all economically beneficial use would not constitute a taking if it “inhere[s] in the title itself, in the restrictions that background principles of the State's law of property and nuisance already place upon land ownership.”).

\(^{29}\) *See Holly Doremus, Takings and Transitions*, 19 J. Land Use & Envtl. L. 1, 3 (2003) (“A viable regulatory takings claim assumes that the government has acted to prohibit some activity that once was allowed, or at least had not been explicitly prohibited.”).

\(^{30}\) *Stop the Beach*, 130 S. Ct. at 2602.

\(^{31}\) In the 1980s, a number of prominent conservative lawyers seized on the Takings Clause as the lynchpin for a concerted strategy of impact litigation to attack what they viewed as necessary to rein in an overreaching regulatory state. *See, e.g.*, CHARLES FRIED, ORDER AND LAW 183 (1991).
Constitution protects private ownership in a number of overlapping and complementary ways. Insofar as the Framers saw “faction” as a grave threat to property rights, we can understand many of the structural constraints on majoritarian politics built into the Constitution – the independent judiciary, the Senate, the Electoral College, the federal system, to name just a few – as property protections. As Alexander Hamilton put it in Federalist No. 85:

The additional securities to republican government, to liberty and to property, to be derived from the adoption of the plan under consideration, consist chiefly in the restraints which the preservation of the Union will impose on local factions and insurrections, and on the ambition of powerful individuals in single States, who may acquire credit and influence enough, from leaders and favorites, to become the despots of the people; in the diminution of the opportunities to foreign intrigue, which the dissolution of the Confederacy would invite and facilitate; in the prevention of extensive military establishments, which could not fail to grow out of wars between the States in a disunited situation; in the express guaranty of a republican form of government to each; in the absolute and universal exclusion of titles of nobility; and in the precautions against the repetition of those practices on the part of the State governments which have undermined the foundations of property and credit, have planted mutual distrust in the breasts of all classes of citizens, and have occasioned an almost universal prostration of morals.32

Even confining our focus to the textual provisions in the Constitution that explicitly protect property rights, we see a similar multiplicity of strategies. The Fifth Amendment itself has two property clauses, after all. The Takings Clause protects owners from having their property “taken for public use” without “just compensation.” And the Due Process Clause protects them against being “deprived of . . . property, without due process of law.” Perhaps the difference between taking property and depriving someone of property is akin to the distinction between picking someone’s pocket and accidentally knocking his wallet into a pond. If the government imposes a loss without intending to do so, it has not taken property, though it might still have violated the owner’s constitutional rights. Although these two provisions have frequently been muddled together by courts and commentators alike, grammatically they operate independently of one another and they were almost certainly intended to protect owners against different kinds of government harms.33

To Ben Barros, this textual argument is a decisive reason for concluding that cases like our adverse possession example, where the courts hold that Blackacre, really belongs to private actor A, despite earlier suggestions in the case law that it ought to belong to private actor B, cannot be judicial takings.34 While we agree with Barros’s fundamental result in this particular

32See also Federalist No. 10; Eduardo M. Peñalver, Regulatory Taxings, 104 Colum. L. Rev. 2182, 2252-53 (2004).
34See Barros, supra note 22, at 18 (“Focusing on both the front and back ends of the transfer provides a natural demarcation of which types of transfers are subject to the Just Compensation Clause and the Due Process Clause. Both private-public and private-private transfers imposed by a government actor “deprive” owners of private property, and are subject to the requirements of the Due Process Clause. Only private-public transfers, in contrast, “take” property, and are subject to the requirements of the Just Compensation Clause.”); But see Mulvaney, supra note 18, at 260-62 (concluding that private-to-private transfers of entitlements may be judicial takings under the Stop the Beach plurality approach).
hypothetical, we get there for somewhat different reasons. Assuming the textual approach is the right one to discerning the meaning of the Takings Clause, it is worth underscoring that the Fifth Amendment is written in the passive voice, not the active one: “Nor shall private property be taken for public use, without just compensation.” The Constitution’s choice of a passive voice obscures the identity of the taker, suggesting that the use need be public but the taker need not be. If the Constitution had been written to say, “Nor shall the state take private property for public use” or “nor shall private property be taken and retained for public use,” then Barros’s argument would become decisive, at least in textual terms. In our view, the sort of but-the-language-could-have-been-clearer move that Barros makes, or that we just offered in response, is an unsatisfying way to interpret a constitutional text. Even beyond that, it seems counterintuitive to deem the text of the Takings Clause decisive when the case law interpreting it has deviated so sharply from both the clause’s plain meaning and its original understanding. The textual considerations strike us as, at most, suggestive.

B. Intent

Given the indeterminacy of the textual arguments, it is worth turning to a body of precedent that confronts a question very much like the takings / due process issue posed in Stop the Beach, but which benefits from having been open to consideration for a longer period of time and with less ideological valence. This body of caselaw, which discusses the connection between the regulatory takings inquiry and the purposive reading of the Takings Clause we are proposing, concerns the boundary between government takings, for which the constitution requires compensation, and government torts, for which it may not. In identifying state deprivations of property as “takings,” cases discussing this boundary principle consistently emphasize the importance of the government’s intent to appropriate the property in question for some public purpose or, alternatively, the fact that the government benefits from the property owner’s loss in a way that suggests the possible presence of such intent. Where the government deprives the owner of property through negligent acts not apparently calculated to derive some benefit from the owner’s loss, however, lower courts have often found the government’s conduct to fall beyond the reach of the Takings Clause.

In 2003, for example, the Federal Circuit considered a claim by a property owner who argued that the construction of a post office uphill from his property damaged his land by increasing the runoff from the uphill parcel. The court developed a test for marking the boundary between “takings for public use” and tortious deprivations of private property not compensable under the Takings Clause. The test focuses on the government’s intent to take property for its own purposes or, where specific intent is lacking but the property owner’s loss is the predictable consequence of the government’s conduct, on the government’s de facto appropriation, such that the government benefits at the private owner’s expense. “[A] property loss compensable as a


36See, e.g., Green Int’l, Inc. v. State, 77 SW2d 428, 434 (Tex. 1994) (“The rationale for the scienter requirement is the idea that negligence by government agents confers no benefit on the public.”). Some state constitutions expressly protect property owners from damage to their property by the state, as well as from takings. See Robert Brauneis, The First Constitutional Tort, 52 Vand. L. Rev. 57, 119-20 (1999).
taking,” the court said, “only results when the government intends to invade a protected property interest or the asserted invasion is the ‘direct, natural, or probable result of an authorized activity and not the incidental or consequential injury inflicted by the action.’”

A similar issue arose in Nicholson v. United States, a case arising in the aftermath of Hurricane Katrina. In that case, the Court of Claims was confronted with the argument that the United States had taken the plaintiffs’ property in violation of the Takings Clause when the levees built by the Army Corps of Engineers failed, causing widespread flooding in and around New Orleans. The court granted the government’s motion for summary judgment, noting that “[t]he key to distinguishing a taking from an incidental injury [not compensable under the Takings Clause] is the presence on the part of the Government of an intent to appropriate.”

As we will argue below, keeping the notion of due process and takings separate helps to clarify the proper reach of a doctrine of “judicial takings.” Unlike Barros’s approach, ours is not based on an overriding commitment to textualism or originalism as modes of constitutional interpretation. Instead, as we will argue, the use of multiple mechanisms for constitutionally protecting property not only maps well onto legal distinctions that have helped separate takings from torts, but also provides a normatively resonant alternative to trying to turn every unwise government act into a taking. Distinguishing between the Takings and Due Process Clauses is consistent with the text of the Constitution, but it also provides a richer conceptual vocabulary for evaluating constitutional property claims and helps courts to tailor the most protective remedies (injunctive relief) to the most serious violations of private property rights.

Much of the voluminous academic commentary on the Takings Clause has focused on the important questions of when property has been “taken.” More recently, scholars have turned their attention towards the meaning of “public use.” But, perhaps for understandable reasons, few have focused on the word linking these two important and contentious concepts. In defining the boundaries of the concept of judicial takings, however, the word “for,” with its implication of purposefulness, may help to shed some light on the Takings Clause’s meaning.

This is not to say that the question of intent has been wholly absent from the Takings Clause discussion. In an insightful article, Ronald Krotoszynski argued that intent to appropriate was a touchstone for distinguishing regulatory takings from violations of due process. And, in its 2005 decision in *Kelo v. New London*, the Supreme Court expressed a renewed interest in a condemning body’s intent. Prior to *Kelo*, it had been common for courts and commentators to treat the “public use” language in the Takings Clause as a (concededly weak) limitation on the government’s power of eminent domain. In *Kelo*, however, the Court went farther and emphasized that, for an explicit use of eminent domain power, the condemnor’s actual intent must be to foster a “public use” (which courts have long understood to broadly encompass any legitimate “public purpose”) in order to constitute a valid exercise of that power. Thus, as the Court said, a condemnor exceeds the limits of the Takings Clause when it takes property “under the mere pretext of a public purpose, when its actual purpose was to bestow a private benefit.”

Importantly, a use that is not public is invalid, even if accompanied by just compensation. One way of looking at this feature of “public use” inquiry is to treat it as a limitation on the ends that can be pursued through the use of eminent domain. Such a gloss makes sense where there is no dispute about whether a taking is occurring. But, in addition to a limit on ends, there is another way of looking at the relevance of intent in the “public use” inquiry, one that becomes more salient when there is a debate about whether a taking has occurred. This is to understand the requirement of intent not just as a restriction on ends, but as also at least partially definitive of means. That is, the notion of property “taken for public use” suggests intentionality not just in the public ends being pursued but also with respect to the means being employed – the appropriation of property in the service of those ends.

This notion of the Takings Clause as operating when certain intentions are present can help to make sense of the Fifth Amendment’s textual distinction between two distinct categories of property losses. The first, broader category is “depriv[ations],” which seems to encompass any loss of property imposed on owners at the hands of the state, without any regard to purpose. This category is defined primarily by reference to the impact on the owner, not by the character

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41 See Ronald Krotoszynski, *Expropriatory Intent: Defining the Proper Boundaries of Substantive Due Process and the Takings Clause*, 80 N.C. L. Rev. 713 (2002) (arguing that intent to expropriate ought to be a requirement for establishing a regulatory taking). Our approach differs from Krotoszynski in that he defines the requisite intent far more narrowly than we do. For example, he distinguishes between an intent to appropriate and an intent to regulate. *See id.* at 719. On our approach, however, the intent to regulate is consistent with an intent to appropriate if the regulation deprives an owner of a property right that he previously possessed in order to accomplish some valid public end. In this sense, our approach is more consistent than Krotoszynski’s with the scope of existing regulatory takings doctrine.

42 545 U.S. at 478 & n.6.


> “Deprivation,” it seems to me, identifies, not the actor's state of mind, but the victim's infringement or loss. The harm to a prisoner is the same whether a pillow is left on a stair negligently, recklessly, or intentionally; so too, the harm resulting to a prisoner from an attack is the same whether his request for protection is ignored negligently, recklessly, or deliberately. In each instance, the prisoner is losing-being “deprived” of an aspect of liberty as the result, in part, of a form of state action.

of the state’s action. Some losses (deprivations) may be legitimate, whether or not owners are compensated, but some of them – those deprivations that occur without due process – are deemed illegitimate, perhaps even if compensation is provided. The second, narrower category – properly understood as a subset of the first – occurs when property is “taken for public use.” To fall within this subset, the state must purposefully employ a particular means – taking of property – in the service of public end. The presence of these intentions marks off “takings” as a subset of the broader category of property-losses (deprivations) at the hands of the state, a subset that the Fifth Amendment declares to be legitimate, provided that just compensation is paid.44

The fact that the Constitution expressly permits intentional deprivations – so long as just compensation is paid – might at first seem odd. We are accustomed to the notion that intentionally imposing a loss is somehow more blameworthy than doing so accidentally. Why, then, does the Constitution permit the intentional harm upon the payment of compensation while at the same time categorically barring some potentially unintentional deprivations – those that occur without due process? The puzzle is deepened by the wide consensus, among courts and commentators, that “just compensation” systematically undercompensates most expropriated property owners.45 In other words, the Constitution seems to empower the government to inflict significant harm on property owners, but only if it does so with intent.

The puzzle is more apparent than real. The key is to take a closer look at the nature of the government intentions encompassed by the Takings Clause and, with that understanding in hand, revisit the notion of due process. The kind of government actions that fall within the ambit of the Takings Clause is the intentional use of private property for the public’s good, provided that just compensation is paid. Although what counts as a public use has historically been very broad, it excludes (as the Court made clear in Kelo) the taking of property with the animating purpose of benefitting some favored private party.

The Due Process Clause has a broader and more foundational focus. It protects property owners against lawless and arbitrary treatment at the hands of the state. Historically, that protection has been understood to have both a substantive and a procedural dimension. In its procedural dimension, the Due Process Clause requires that owners be deprived of property, through procedures that provide owners with notice and an opportunity to be heard.46 How much notice and what kinds of opportunity to be heard are required depends very much on the circumstances of the loss being inflicted. As the Supreme Court put it in Matthews v. Eldridge, the process due is determined by weighing “the private interest that will be affected by the official action” against the Government’s asserted interest, “including the function involved” and the burdens on the Government of requiring more process.47 Where, as it is in the “judicial

44See Lingle, 544 U.S. at 536-37.
takings” context, the questions relate to whether it is permissible to change a legal rule and then apply it retroactively to existing entitlements, this procedural aspect of Due Process has obvious implications, both for the propriety of retroactive application of new rules and, as we will see, for the need to preserve a functional adjudicative process for judicially assessing disputed property entitlements.

In its substantive dimension, this category of arbitrary state conduct marks the outer boundaries of the state’s legitimate power to act at all. It has traditionally been analyzed in terms of the suitability of the government’s ends and the fit – as a matter of practical reasoning – between those ends and the means the government has chosen to pursue them.\[^{48}\] The question of ends is nearly identical to the “public use” inquiry under the Takings Clause.\[^{49}\]

The restriction of state actors to public ends prohibits the state from abdicating its obligation to act in the public’s interest by making itself the agent for a private actor’s private good. This notion that valid lawmaking must be undertaken in pursuit of the public (and not some private actor’s) good has deep roots in the western legal tradition. As John Locke put it, “the power of the society, or legislative constituted by them, can never be supposed to extend further than the common good.” Echoing earlier discussions by Aquinas and Aristotle,\[^{50}\] Locke took the position that the entire lawmaking and law-enforcing apparatus of the state must “be directed to no other end, but the peace, safety, and public good of the people.”\[^{51}\] This requirement that law be oriented towards the common or public good continues into the American legal tradition. As Justice Chase famously put it in *Calder v. Bull*

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\[^{48}\] See *Lingle*, 544 U.S. at 541-42.

\[^{49}\] See One possible difference is that, since *Kelo*, the “public use” question focuses on the government’s actual ends – that is, the goal it was actually trying to achieve by taking property, see 545 U.S. at 478 (“Nor would the City be allowed to take property under the mere pretext of a public purpose, when its actual purpose was to bestow a private benefit.”); see also *Berman v. Parker*, 348 U.S. 26, 32-33 (1954) (“Once the object is within the authority of Congress, the right to realize it through the exercise of eminent domain is clear. For the power of eminent domain is merely the means to the end.”); *Hawaii Housing Authority v. Midkiff*, 467 U.S. 229, 239-41 (1984); *Kelo v. New London*, 545 U.S. 469, 479-81 (2005). – whereas under due process (and equal protection) analysis of property regulation since the end of the *Lochner* era, the question has been whether there is some conceivable public purpose that would justify the regulation. See *Kelo*, 545 U.S. at 490-91 (Kennedy, J., concurring); *FCC v. Beach Communications, Inc.*, 508 U.S. 307, 313-314 (1993); *Williamson v. Lee Optical of Okla., Inc.*, 348 U.S. 483 (1955). But, as Justice Kennedy observes in his concurring opinion in *Kelo*, the difference is more apparent than real. See 545 U.S. at 491. The consideration of conceivable public purposes does not mean that the pursuit of private purposes is to be tolerated in the due process analysis. Instead, it reflects a strong presumption in favor of the public-spiritedness of public actors. Where the evidence shows that a regulation challenged under the Due Process or Equal Protection Clauses was in fact motivated by the narrow desire to confer a private benefit without at the same time achieving any public good, the regulation will run afoul of the Constitution. See id. (citing *Cleburne v. Cleburne Living Center, Inc.*, 473 U.S. 432, 446-447, 450 (1985); *Department of Agriculture v. Moreno*, 413 U.S. 528, 533-536 (1973)).

\[^{50}\] For Aristotle, for example, orientation towards the “common good” versus the private good of those with political power is what, at the most basic level, distinguishes legitimate political institutions from deviant ones. Aristotle, *Politics*, Bk. III, ch.vi, § 9; Richard Kraut, Aristotle 385—86 (2002). Similarly, Aquinas considered orientation towards the common good a fundamental requirement for legality. See Thomas Aquinas, *Summa Theolcita, Ia-IIae*, Q. 95, art. 4. “The law should be framed, he says, not for any private benefit, but for the common good of all citizens.” Id. at Q. 96, art. 1.

\[^{51}\] John Locke, Second Treatise of Government § 131.
An act of the Legislature (for I cannot call it a law) contrary to the great first principles of the social compact, cannot be considered a rightful exercise of legislative authority. The obligation of a law in governments established on express compact, and on republican principles, must be determined by the nature of the power, on which it is founded. A few instances will suffice to explain what I mean. . . . [A] law that makes a man a Judge in his own cause; or a law that takes property from A. and gives it to B. It is against all reason and justice, for a people to entrust a Legislature with such powers; and, therefore, it cannot be presumed that they have done it.52

A law that is enacted merely with the end of enriching B at the expense of A, with no apparent regard for the public’s good, is not a legitimate legal act. Viewed from within this long tradition requiring that law be oriented towards the public good, the government’s intention in the case of the taking for private use is far worse than its intention to take property in the public interest, and it makes sense to demand the more inflexible remedy (prohibition of the action rather than just compensation) for the former. Illegitimate state action does not come within the ambit of the Takings Clause. And excluding otherwise illegitimate acts from the logic of the Takings Clause makes normative sense, since the remedy for violation of the clause is the payment of compensation. Government acts that are not oriented towards the public good fail the most basic test of legality.

The notion that a taking is an intentional deprivation in order to put a piece of private property to public use requires some additional clarification about what constitutes an intentional taking. In this regard, it is important to distinguish between two categories of judicial action: on the one hand, intentionally submitting property to public use; and, on the other, incidentally imposing property losses on particular owners as a result of changes in property law (albeit changes intentionally undertaken for public reasons) – The first category can be isolated by asking whether a particular property owner’s loss is itself a means of achieving the relevant public end. Both sorts of losses result from judicial actions that are motivated by a desire to achieve a public purpose. But are they the same? In the former case, the private property is intentionally harnessed towards a public end. In the latter case, the property loss is simply an unintended byproduct of a change in the law where it is the change in the law itself that fosters the public end. The first category is properly evaluated under a judicial takings analysis.

The second category is different. If the owner’s loss is, from the narrow point of view of achieving the public end, a matter of indifference, then the judge has not appropriated the owner’s property for a public use, and the loss falls beyond the reach of the judicial takings analysis. The conclusion that the property was not appropriated for public use, however, does not mean that the owner is without constitutional recourse. It simply means that, to make her claim, she must show that the property loss she suffered was not consistent with due process. This means that the owner must show that there is no reasonable explanation for why this change in the law must be implemented in a way that imposes a loss on this owner. The most obvious answer will be the costs of administering the new rule in a way that avoids the loss. That answer, however, will not always be credible, for reasons we will discuss. Moreover, if the owner can prevail, the law will more forcefully protect her entitlement by mandating an injunctive remedy –

52 3 U.S. 386, 388 (1798).
the restoration of her property – rather than permitting the state to proceed with the deprivation upon the payment of just compensation.

C. Public Use and Intent

Courts and commentators alike have often said that a taking for a private purpose is ruled out by the public use language of the Takings Clause.\(^{53}\) This appears to rest on a conceptual error. As the public use language makes clear, and as Justice Holmes observed in *Pennsylvania Coal v. Mahon*, the Takings Clause assumes that any action covered by its compensation obligation is, in the first instance, a legitimately public act.\(^ {54}\) A better way to describe the situation of takings for private use is that they do not fall within the scope of the state’s power to act at all and therefore violate due process. Taking A’s property in order to enrich a well-connected private party is simply not a legitimate public act, irrespective of the payment to A of just compensation.

But this sort of misuse of the public power for private ends does not exhaust the due process analysis. Even the pursuit of a valid government end can be arbitrary – and therefore violate due process – if it imposes a loss on a property owner where it is possible to avoid the loss and failing to avoid it in no conceivable way assists the state in pursuing its legitimate public end. While the “ends” part of the due process analysis rules out certain intentions (the bald pursuit of private gain) as inconsistent with the exercise of lawmaking power, the “means” part of the analysis requires from the state a minimal degree of competence and care in the pursuit of its ends. The requirements of competence and care do not prohibit the government from imposing losses on owners. Instead, they simply demand that the government avoid – where feasible – needless losses and demands that the state be able to give some account of how the state’s failure to avoid a particular owner’s loss relates to the government’s ability to pursue its valid end. If the state cannot give such an account, then the way in which it is pursuing a concededly public end imposes an arbitrary loss on the property owner, the remedy of which is to require the state to pursue the end in a way that does not impose the needless deprivation.

The distinction between a taking for public use and a deprivation without due process does not mean that a property owner must challenge a government action as either one or the other. It does mean, though, that a deprivation without due process cannot simultaneously be a violation of the Takings Clause, though it still makes sense to speak of a law that – if valid – would constitute a taking. Moreover, since the takings inquiry operates on the assumption that due process requirements have been satisfied, the due-process inquiry is, in a sense, logically


\(^{54}\)260 U.S. 393, 415 (1922) (“The protection of private property in the Fifth Amendment presupposes that it is wanted for public use, but provides that it shall not be taken for such use without compensation.”); see also *Lingle*, 544 U.S. at 543 (“[T]he Takings Clause presupposes that the government has acted in pursuit of a valid public purpose.”).
prior to the Takings Clause analysis. This in turn suggests that, when confronted with a claim that a state action is either a violation of due process or of the Takings Clause, a court should consider the due process challenge first; and, only if it fails (i.e., if the court thinks the government’s action is consistent with due process) should the court move on to consider the takings challenge.

D. Intentionality and Coordination

To summarize the discussion so far, the Takings Clause addresses situations in which the government intentionally diminishes a private owner’s property rights in order to achieve a legitimate public end, permitting the government to exercise this power but requiring the payment of just compensation. The Due Process Clause potentially covers a broader range of state conduct insofar as it addresses itself to all other losses imposed by state action on private owners. It is violated when those losses are inflicted without adequate procedural safeguards, for nonpublic ends, or when the state pursues public ends but could just as easily and effectively do so in a way that would not impose a loss on the complaining property owner.

In the first law review article to analyze systematically the possibility that judicial actions might engender governmental liability under the Takings Clause, Barton Thompson posited that if the judiciary was acting in a coordinated fashion with the legislature or the executive branch to wipe out a private property owner’s rights, it made little sense to let the government skirt its obligation to compensate the private property owner. In his words, “by exempting courts from the takings protections, we create an imbalance that invites the state to attempt to accomplish through the judiciary what it cannot accomplish through the other branches of government – thereby unnecessarily skewing the appropriate division of responsibility between the branches.”

This objection has some force, and its sentiment was echoed by the Stop the Beach plurality, but it is a further factor buttressing the importance of intentionality in determining what might constitute a judicial taking. In this instance, intentionality in a narrow sense acts as a proxy. Coordinated action by two branches of government requires that both branches know what they are doing and intend to act jointly. Thus, in cases in which it can be established that the judiciary did not act intentionally to deprive a landowner of private property, it must follow that the danger of coordination is minimal.

What about coordination that occurs, not between two branches of government, but between the judiciary and a powerful nongovernmental actor? Under our approach, cases involving a corrupt judge who imposes a loss on a property owner in order to benefit a private party would not be judicial takings. Such cases would instead violate the Due Process Clause. Corruption of this sort can arise when the government officials are themselves the direct beneficiaries. It can also manifest itself when government officials are indirect beneficiaries,
having used the eminent domain power to enrich their allies, perhaps with the hope that their allies (or others) will return the favor in the future. Extreme acts of self-dealing could subject government officials to ex post criminal prosecution, regardless of whether the actors are members of the judiciary, a legislature, or the executive.59 Similarly, judges and executives can be impeached for self-dealing that rises to the level of criminality, and legislators can be censured or conceivably expelled.60 But while these remedies may deter wrongdoing, they provide little comfort to the landowner who has suffered an unjust loss. That is the gap the Due Process Clause is designed to fill.

To be sure, there are divergences between the law’s treatment of self-dealing by judges and other sorts of governmental officials whose conduct has long been thought to implicate the Takings Clause. Constraints on self-dealing by the judiciary arise via a number of doctrinal avenues including the Due Process Clause as well as doctrines governing judicial recusal. In some respects the constraints on judges are more substantial. For example, while legislatures have self-imposed indirect limits on their freedom to engage in self dealing through single-subject voting rules, anti-logrolling rules, disclosure obligations, gift limitations, and the like,61 there is no legislative doctrine that flatly prohibits legislators from voting on legislation being promoted by their campaign contributors. By contrast, judges deciding cases in which the role of their campaign contributors loom large may be substantially constrained by due process considerations. In Caperton v. A.T. Massey Coal Co., the United States Supreme Court held that an objective standard determines whether a judge’s failure to recuse himself violates the Due Process Clause.62 Courts are to take into account a “realistic appraisal of psychological tendencies and human weaknesses” in assessing the risk that a judge is actually biased or has prejudged the case.63 Applying that standard to the facts of Caperton, the Court held that the enormous size of a single campaign contributor’s spending, its temporal proximity to the West Virginia Supreme Court’s consideration of the case implicating that contributor’s economic interests, and the contributor’s very large stake in the outcome of that pending case warranted recusal as a matter of law.64 In other respects though, constraints on judges may be weaker than those imposed on other state actors.65 For example, judges may have broader immunity against


60 Recent cases include the impeachment of federal district judge G. Thomas Porteous and the censure of Representative Charles Rangel. Both were accused of leveraging the powers of their offices to enrich themselves by accepting benefits to which they were not entitled. See Michael A. Memoli, Senate Convicts Federal Judge, L.A. Times, Dec. 9, 2010, at 12; Richard Simon, Rangel Draws Ethics Censure: He is the First House Member in Three Decades to Receive Such Sanction, L.A. Times, Dec. 3, 2010, at 1.


63 Id. at 2263.

64 Id. at 2263-65.

65 Teachout notes that the Constitution contains more provisions designed to constrain the corruption of the executive and legislative branches than the judiciary. Teachout, supra note 59, at 368.
suit for misconduct than their counterparts in the executive branch, and perhaps even the legislature.66

When compared with legislators, judges have relatively little incentive to deprive a private property owner of property because it is more difficult for those judges to capture the benefits associated with the deprivations. This is particularly true for judges with life tenure or those who face little electoral pressure. Again, to the extent that a judge does benefit financially from a ruling of his, particularly a ruling that deprives a property owner of his land or chattels, serious questions will arise as to why the judge did not recuse at the outset of the litigation. If it is indeed the case that judges are less likely to engage in self-dealing, then there is less work for the Takings Clause to do. This analysis suggests that self-dealing cases generally present poor candidates for takings claims and particularly poor judicial takings claims.

In the absence of a Due Process Clause, we might wish the Takings Clause to incorporate an electoral test into the Constitution. Because the risk of self-dealing is greater in the case of elected judges than in the case of appointed judges, the existence of an elected judiciary in a particular jurisdiction ought to make us more inclined to recognize the existence of a judicial taking there. But precisely because our Constitution has a Due Process Clause, and that clause polices (among other things) the conduct of elected judges,67 incorporating the means of judicial selection into the takings calculus is unnecessary. At the same time, the elected status of some judges might justify more exacting scrutiny of due process claims against elected judges charged with self dealing.

E. Intentionality and Retroactivity

Where a judge (or legislature or executive) changes a rule of property law, she always has the option whether to apply the new rule retroactively – i.e., to property interests formed prior to the rule’s change – or prospectively only. The foregoing analysis suggests that it is the Due Process Clause that is usually the proper vehicle for evaluating pure questions of retroactivity in judicial changes to property law. For example, if a state court changes the law of easements, say, to permit the reservation of an easement in a third party in order to eliminate what it sees as a senseless formalism that interferes with parties’ expectations and reduces the efficiency of property law,68 the court is almost certainly indifferent to the fact that one owner loses the right to exclude and another gains the right to use a right of way. Though the retroactive application of the rule may in some way enhance its effectiveness, the state is indifferent as to who wins or who loses under the new rule. In these situations, the unfortunate owner’s loss is not itself a means to achieving any public end. The sole question is the propriety of the retroactive application on the owner in a way that imposes a loss. Due process is the better rubric to apply when application of such a rule retroactively leads an owner to lose property he otherwise would have retained but where the owner’s loss – apart from that retroactivity – does not contribute to the public good being pursued by the new rule. Where the retroactive application of the rule to owners with

existing property rights will in no way assist in achieving the goals motivating the change in the rule, applying the rule retroactively is likely to be arbitrary. This suggests a due-process inflected presumption against retroactivity when property rules are changed. And this is, in fact, the prevailing norm in property law. Though courts have often been unclear about whether the anti-retroactivity principle arises under a takings or due process analysis. It is important to recognize that, when the state is indifferent as to the identity of winners and losers under the new rule, it cannot be said to have “taken” the loser’s private property “for public use” when it applies a new norm retroactively and a due process analysis of the propriety of the retroactivity decision is the correct one.

In some cases, however, the retroactive application of the rule in a way that imposes a loss on a specific property owner will be an essential component of the judge’s plan for achieving the purposes animating the rule’s change. For example, when the New Jersey Supreme Court expanded the reach of the public trust doctrine in Matthews v. Bay Head Improvement Association, its goal was to expand public recreational access to beaches in New Jersey where municipal access was not available. The effective provision of public access means that the court must weaken certain waterfront owners’ rights to exclude. Opening up those particular owners’ parcels was the strategy the Court used to achieve the goal of adequate public beach access. Its action was analogous to a city creating a new zoning law that prohibits an existing use that is not itself a nuisance. The effectiveness of the zoning regime depends on the eventual application of the new regulatory scheme to land occupied by the prior nonconforming use. Importantly, in both of these circumstances, the losses these owners suffer is not a matter of indifference but is intentionally instrumental to accomplishing the public purpose served by the new rules. In these circumstances, then, a takings analysis is the appropriate one, whether the new rule is created by a zoning board, a legislature, or a court. (As we will discuss, this is not the same as saying that all new rules that operate in this way are in fact takings that require just compensation. It only means that, where a court makes a new rule and applies it to a property owner because imposing a loss on that particular owner will foster the rule’s public purposes, it is appropriate to apply a judicial takings framework in analyzing the owners’ claim that their rights have been violated.)

Existing state land-use doctrines concerning “vested rights” and “prior nonconforming uses” have long protected existing land uses from subsequent regulatory changes of this sort.

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71 See, e.g., Quality Refrigerated Servs., Inc. v. City of Spencer, 586 N.W.2d 202 (Iowa 1998) (holding that, when a property owner makes substantial expenditures towards completion of a project, he acquires “the right to complete the development of his property in accordance with his plans as of the effective date of the new ordinance”); Town of Hillsborough v. Smith, 170 S.E.2d 904 (N.C. 1969) (same); Dublin v. Finkes, 615 N.E.2d 690, 692 (Ohio Ct. App. 1992) (federal and state constitutions both “recognize a right to continue a given use of real property if such use is already in existence at the time of the enactment of a land use regulation forbidding or restricting the land use in question”).
At a minimum, courts have held, existing uses are entitled to a “reasonable” transition, or “amortization,” period following the introduction of a new rule to allow owners to recoup a reasonable return on their investment before the new regulation is applied to their nonconforming property.72 These doctrines are frequently justified by state courts in constitutional terms, though often, as Chris Serkin notes, without specifying any particular constitutional provision.73 Our analysis makes clear that a takings analysis is usually the proper rubric for understanding the legal and normative underpinnings of these doctrines.

F. Regulatory Takings

The conception of the scope of the Takings Clause we are advocating is fully consistent with the existence of a regulatory takings doctrine. But the requirement of intent to appropriate does help limit the reach of that doctrine by restricting it to regulatory actions that match certain characteristics of an actual exercise of eminent domain in certain crucial respects.74 As the Court said in Lingle, the touchstone of the regulatory takings inquiry is an effort “to identify regulatory actions that are functionally equivalent to the classic taking in which government directly appropriates private property or ousts the owner from his domain.”75 It goes without saying that such regulatory appropriations must also be undertaken with the intent to achieve a “public use” because, as with an exercise of eminent domain, regulatory takings analysis “presupposes that the government has acted in pursuit of a valid public purpose.”76 The presence of such a public purpose is virtually never at issue in a litigated regulatory takings case – though it is easy enough to imagine cases where the issue might be contested. Less obvious, though equally necessary if regulatory takings are to constitute the “functional equivalent” of an explicit exercise of eminent domain, is the requirement that the regulatory body act with the purpose of employing the owner’s private property as the means of accomplishing that public purpose.

On the narrower, purposive reading of the Takings Clause, in cases where a private owner’s loss is merely incidental to a rule change, as in the easement law hypothetical described above,77 a judicial taking analysis is not appropriate because, although the owner has been deprived of property, her property has not been taken by the state for public use. Her loss is more akin to the loss suffered by a property owner when the state commits a tort. Again, it is important to emphasize that this conclusion does not mean that the retroactive application of a change in a property rule under these circumstances is permitted by the Constitution. It simply means that, if it does, the violation is of some other norm, most likely the Due Process Clause’s protection against arbitrary or irrational treatment by state actors.

74See Krotoszynski, supra note 41, at 719.
75544 U.S. at 539.
76Id.
77See supra text accompanying note 68.
In contrast, in the context of disputes over ownership between private parties and the state (the second hypothetical we discussed at the beginning of this Part), the notion that a change in the rules purposefully takes property for public (i.e., state) use seems easy to see. In these cases, it is almost a matter of indifference whether the “taker” is understood to be the court or the state-actor litigant. What the judicial takings doctrine would add to these cases is a tool to prevent state courts from sidestepping the protections of the Takings Clause by spuriously re-characterizing its prior property doctrine.

In short, we believe that there are good textual, precedential, and logical reasons why the state’s intentions are a critical factor in determining whether a government action that diminishes an individual’s private property rights are better dealt with under the Takings Clause or the Due Process Clause. So far, our analysis has steered clear of functional arguments. In the next Part, we will develop the functional argument in much more detail, showing that when the state is financially responsible for judicial decisions that diminish the value of private property, the likely consequence is an incentive for one of the litigants to underinvest in legal representation. A desire to avoid the problems associated with this form of underinvestment may provide us with additional tools to identify those cases in which treating a court’s decision as a potential judicial taking, rather than as a due process violation, makes sense.

II. The Underinvestment Problem

What good would be accomplished by requiring that property owners whose rights are diminished or destroyed by a judicial decision be compensated? Barton Thompson’s classic article answered that question in the following way:

In many situations, judicial changes in property law raise the same concerns as legislative and executive takings. . . . By applying the takings protections to the judiciary, we encourage courts to be more sensitive to the impact that their decisions have on property holders and thereby protect the values embedded in the takings protections. 78

Problematically, Thompson assumes that compensation would make judges more sensitive to the impact that their rulings have on property owners, but he does not explain the mechanism by which this would occur. It may be that courts would regard a determination that a judicial taking had occurred as an ordinary reversal. There may be some reputational costs associated with such a reversal, and it is even conceivable that finding a judicial taking would impose a greater stigma on a court than an ordinary reversal would. But if Thompson intended to suggest that by imposing liability on the government judges would be less likely to rearrange entitlements, that is a harder story to defend.

Judicial takings liability would be paid for out of general governmental revenues, not out of the court’s budget or judicial salaries. As Daryl Levinson has shown, the Takings Clause may do a poor job of forcing government officials generally to internalize externalities, 79 and that argument carries even more force as far as the judiciary is concerned. So perhaps judicial takings

78 Thompson, supra note 56, at 1544.

liability will not accomplish as much as its advocates hope. But another question remains unanswered. Why should the judiciary be able to do something that the other branches cannot do? From the landowner’s perspective, what matters is the loss, not the mechanism by which the loss occurs. This critique plainly resonated with the plurality in *Stop the Beach*, who wrote:

> [T]he Takings Clause bars the State from taking private property without paying for it, no matter which branch is the instrument of the taking. To be sure, the manner of state action may matter: Condemnation by eminent domain, for example, is always a taking, while a legislative, executive, or judicial restriction of property use may or may not be, depending on its nature and extent. But the particular state actor is irrelevant.\(^8\)

In our view, the identity of the state actor is relevant. In fact, there is a good answer to the question of why we ought to treat judges differently from legislators and regulators.\(^8\)

By fully compensating landowners who are deprived of their property as a result of the legislative, executive, or judicial change, we create, in effect, a free insurance policy for private property owners. As various commentators have observed in the context of regulatory takings, such an insurance policy necessarily diminishes the incentives for landowners to resist that change in the first instance and may generate a kind of moral hazard.\(^8\)

Recall the hypothetical that we introduced in Part I. Suppose you are a landowner involved in a dispute with a longtime trespasser. The trespasser has been occupying your land in

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\(^8\)*Stop the Beach*, 130 S. Ct. at 2602 (emphasis in original).

\(^8\) John Echeverria has provided a mix of five formalist and federalist reasons why it may make sense to differentiate between judicial takings and takings by other branches of the government. None of Echeverria’s reasons go far afield from the briefs, opinions, and oral argument in *Stop the Beach*. See John D. Echeverria, *Stop the Beach Renourishment: Why the Judiciary Is Different*, Vermont Law School Legal Studies Res. Paper No. 10-45 (Aug. 2, 2010). More provocatively, albeit without referencing Barton Thompson’s canonical article, Richard Epstein offered a very different sort of answer to the question of compensating parties for a judicial error in a footnote contained in his influential 1985 book on takings:

> Initially, it seems clear that the takings clause applies to judicial orders. When the state resolves a dispute between A and B, it wrongfully takes property if it makes the incorrect judgment. Forcing A to pay B $100 for a debt not owed takes $100 from A. Not making A pay the $100 when it is owed takes it from B. The demand for unbiased judges therefore translates into a demand that the probability of error be symmetrically distributed, so that each side receives, in the form of erroneous judgments in its favor, ex ante compensation for those erroneous judgments entered against it. So understood, absolute judicial immunity for erroneous judgments still satisfies both the just compensation and the public use requirements, because the legal rule divides the anticipated surplus from collective action.

EPSTEIN, *supra* note 45, at 196 n.2 (1985). Our focus on the underinvestment problem and our divergent view of takings cases more generally causes our analysis to differ from Epstein’s. We also deviate from Epstein in viewing considerations of judicial bias as relevant to the due process inquiry, and in pointing out that the introduction of a judicial takings cause of action contradicts Epstein’s supposition that the probabilities of error will be distributed symmetrically. See infra text accompanying notes 121-122.

good faith for a period slightly longer than the statute of limitations on trespass actions. The trespasser thought that the land was his, not yours, on the date his trespass began. Because your jurisdiction has long adhered to a rule that prohibits good faith trespassers from acquiring title via adverse possession, you had little to fear in the litigation if you knew the trespasser’s state of mind. If the courts continue to follow existing precedents, you will retain your land.

Now suppose that the courts deviate from existing precedents, for example, by following the majority of jurisdictions in holding that a trespasser’s state of mind is irrelevant for the purposes of adverse possession law. As a result, you will lose your land but under the plurality approach in \textit{Stop the Beach} you may have a judicial takings cause of action against the state for changing its property rules in a way that deprived you of what previously was yours. Let us assume, as Justice Kennedy argued in \textit{Stop the Beach} and as the Court’s unanimous opinion in \textit{Lingle} implied, that the remedy for a judicial taking in this sort of case will be the payment of just compensation. That is, if the courts determine that a judicial taking has occurred, then the property doctrine embraced by the lower court will not revert back but will remain in place, followed by a constitutionally compelled payment by the state to the party that lost its property.

Judicial takings liability will raise underinvestment concerns similar to those associated with compulsory insurance. Where the prevailing party does not itself have to bear the costs of compensating the loser for losses he suffers as a result of the rule-change, the introduction of judicial takings liability may create asymmetric incentives for the parties involved in litigation. Even with a doctrine like judicial takings, the trespasser still has an incentive to litigate aggressively to convince the courts to change property law in a way that will transfer title over your land to him, as long as he will not be liable to compensate the loser. You, by contrast, have a diminished incentive to resist a change in the law in the presence of a compensation requirement, at least at the first stage of the litigation. Only if the courts rule in favor of the trespasser will you have a strong incentive to lawyer up. At that point, even if the well-represented trespasser has won in the initial proceedings, your judicial takings claim has a very high likelihood of succeeding. We can now see the potential for judicial takings liability to create perverse incentives. Liability introduces an asymmetry into litigation strategy that permits only the party advocating for a change in property doctrine to realize the benefits of early investments in high-quality counsel. The law might try to mitigate the underinvestment concern by requiring that judicial takings suits be highly deferential to lower court determinations of property rights, but even this would attack the problem only indirectly. In any event, and for whatever reason, the plurality in \textit{Stop the Beach} was skeptical of such a tack, stating that the Court would “make our

\begin{footnote}{See supra text accompanying note 18.}
\end{footnote}

\begin{footnote}{It might be a fair criticism of our approach to say that in this section we are critiquing a position that none of the justices actually embraced in \textit{Stop the Beach}. \textit{Stop the Beach} left open the question of whether the appropriate remedy in a judicial takings suit is the payment of just compensation alongside the maintenance of the new property rule or an invalidation of the new property rule on the grounds that stripping an owner of an entitlement without paying compensation is unconstitutional. \textit{Compare} 130 S. Ct. at 2607 (Scalia, J. plurality), \textit{with} 130 S. Ct. at 2617 (Kennedy, J., concurring). The plurality might have intentionally wanted to couple its aggressive view about the scope of the Takings Clause with its less aggressive view about how often damages would be the appropriate remedy. For reasons we will explain later, we believe that the plurality’s view as to damages is in tension with Supreme Court precedents on remedial questions, especially the Court’s unanimous 2005 opinion in \textit{Lingle}. The \textit{Stop the Beach} plurality cited \textit{Lingle} only with approval. 130 S. Ct. at 2601. So absent some rationale for discarding \textit{Lingle}’s approach, we are assuming the correctness of an answer to the remedial question that has garnered nine votes in the past, rather than one that garnered four votes more recently.}
\end{footnote}
own determination, without deference to state judges, whether the challenged decision deprives the claimant of an established property right.\textsuperscript{85}

The foregoing analysis provides a plausible reason why Justice Scalia’s plurality opinion in \textit{Stop the Beach} was right to reject the idea that the surprising nature of a judicial decision makes that decision more likely to constitute a judicial taking.\textsuperscript{86} Apart from the difficulty of operationalizing a foreseeability test, and the problems associated with hindsight bias (which might make it difficult for courts to discern after the fact which decisions depriving an owner of property rights were surprising),\textsuperscript{87} putting the thumb on the judicial takings scale where decisions are surprising would only exacerbate the underinvestment problem. If a surprising decision is more likely to constitute a judicial taking, then the property owner’s lessened incentive to hire a good trial lawyer because of her chance to take a second bite at the apple in a subsequent judicial takings suit is compounded by the diminished incentive to obtain high-quality representation at trial based on the low ex ante probability of losing. Both incentives push against retaining high-quality counsel at trial.\textsuperscript{88}

Under a judicial takings approach, it is not fanciful to believe that the asymmetric litigation incentives between those seeking to change an existing entitlement and those seeking to preserve the status quo would reward collusive behavior. Suppose that the trespasser approaches you with the following offer: “I will pay you $50,000 if you minimally defend yourself in a quiet title action brought by me, the trespasser. Your land is worth $100,000. If I prevail in my quiet title action, and the state changes its adverse possession law to become more favorable to bad faith adverse possessors, then you will sue the state for a judicial taking. You will win your lawsuit and recover $100,000. I am $50,000 richer because I own a $100,000 parcel of property and paid you $50,000. You are $50,000 richer because you have my $50,000 and the state compensated you fully for your lost land. The state is $100,000 poorer, but that’s not your problem or mine.” Assuming away litigation expenses or a subjective attachment to the property, wouldn’t you take this deal? Wouldn’t lots of people take this deal? Deals of this sort are not obviously illegal under current law if structured as part of a civil settlement, and it is not clear how the state would effectively identify this sort of collusion as it was happening and intervene so as to protect its fiscal interests. At least in those instances where the just compensation required by the Constitution is close to the landowner’s subjective value, we might expect to see collusive deals of precisely this sort.\textsuperscript{89}

\textsuperscript{85} \textit{Stop the Beach}, 130 S. Ct. at 2608 n. 9.
\textsuperscript{86} \textit{Stop the Beach Renourishment, Inc. v. Florida Dept. of Environmental Protection}, 130 S. Ct. 2592, 2610 (2010).
\textsuperscript{88} There might be circumstances in which the fact that a decision was unsurprising should make us inclined to think that a judicial taking occurred. If “surprising” decisions are particularly likely to result from a process in which bad lawyering contributed to the result, then a doctrine equating surprises with judicial takings would discourage clients from seeking out good lawyers, with the result being . . . more surprises. On this analysis, it is possible that Justice Stewart had it backwards when he argued that surprising judicial decisions are good candidates for judicial takings treatment. Hughes v. Washington, 389 U.S. 290, 296 (1967) (Stewart, J., concurring).
\textsuperscript{89} One factor to consider is going forward is the extent to which imposing liability for judicial takings identifies the most appropriate defendant. In a case where an administrative agency or an executive causes a regulatory taking, it may make some sense to have the beneficiary of the regulation compensate the party burdened by the regulation. This dynamic sets up a “givings” problem of the sort discussed in Abraham Bell & Gideon Parchomovsky, \textit{Givings},
Although most eminent domain awards of just compensation are undercompensatory, it would be relatively easy for parties seeking a collusive settlement to identify a subset of properties in which subjective value to the owner and fair market value are closely matched, and to approach only those owners. More generally, this analysis helps us realize that it is the undercompensatory nature of many just compensation awards that helps keep the underinvestment problem in check. Some property scholarship has suggested compensating owners above fair market value for takings, and our analysis shows the problem with such an approach.

The idea that takings liability represents a form of compulsory insurance is a point that has been made elsewhere in the regulatory takings literature. But the concern has not been incorporated into discussions of judicial takings, where it has the most force due to the distinctive nature of judicial decisionmaking. Particularly in those instances in which the judicial takings claimant was the party who litigated and lost below, the availability of a judicial takings remedy limits the resources that a rational litigant will devote to the first stage of the legal proceedings. This idea is merely the analog to a more familiar argument that in the presence of a takings clause affected parties might devote fewer resources to lobbying against a policy change that will adversely affect their property interests. In this case, because of the asymmetric incentives created by judicial takings doctrine, lower priced / lower quality law firms will be able to outcompete higher priced / higher quality law firms in the battle for early stage legal work.

111 Yale L.J. 547 (2001). In the absence of a givings clause in the Constitution taxing the benefited party may be impracticable. Indeed, a regulatory taking is supposed to be an instance of the state regulating in a manner so as to confer benefits on the public more broadly. A regulatory taking is not supposed to rob Peter to pay Paul, so making Paul pay Peter off is a problematic remedy. But what about judicial takings of the sort represented by our adverse possession hypothetical? They case caption in such controversies was Peter versus Paul. A lower court ruling in which Peter’s pre-existing property rights were abrogated and in which Paul’s property rights were augmented does seem to present a straightforward remedial opportunity: make Paul pay Peter the value of the property rights that Peter lost. This raises the question of whether the courts or a private party is the appropriate defendant in a takings suit more generally. In our view, unless redistribution as between Peter and Paul is the goal of the new rule, imposing liability on the state in cases involving a redistribution of property rights from Peter to Paul makes less sense than drawing on Paul’s resources to make Peter whole. The comparison to good-faith improver statutes in California, New Jersey, and other jurisdictions, which do transfer title to a good faith improver from a prior owner, upon the payment of just compensation by the former to the latter, is instructive. Similarly instructive was the mechanism that Hawaii adopted in the land-reform statute at issue in Midkiff. That law empowered the state to condemn privately owned land and convey that land to the owners of homes built on the land in order to address the extreme concentration of land ownership that prevailed in the state. But it required homeowners to reimburse the State for the value of the land they were to receive under the scheme. See 467 U.S. at 234.


92See, e.g., Saul Levmore, Takings, Torts, and Special Interests, 77 Va. L. Rev. 1333, 1344-48 (1991); Saul Levmore, Just Compensation and Just Politics, 22 Conn. L. Rev. 285, 306-21 (1990); see also Vicki Been, Lucas v. The Green Machine: Using the Takings Clause to Promote More Efficient Regulations?, in Property Stories 299 (2d ed. Gerald Korngold & Andrew P. Morriss eds. 2009) (noting that although David Lucas knew that the South Carolina legislature would grandfather in beachfront development projects that had begun prior to the initiation of a development ban, he “made no effort to obtain a building permit,” even as he followed the legislation’s advance toward becoming law).
There is a salient difference between the judicial taking context and the general regulatory taking context, from the perspective of the underinvestment problem. We typically conceptualize expenditures on lobbying legislators or administrative agencies engaged in rule-making as something akin to a dead weight loss. The legislature and agency, after all, have considerable resources at their disposal to conduct their own fact-finding and analysis. While lobbyists might expose majoritarian bodies to information and ideas possessed by discrete minorities with a lot at stake in the legislative outcome, a well-functioning two-party or multi-party democracy will provide many mechanisms by which this information will come to light, even if the minorities at issue do not employ lobbyists. If any individual interested party remains silent in the lobbying process, that silence is unlikely to significantly undermine the quality of the legislative or administrative decision. After all, lobbying is typically multilateral. On any issue there may be a score of affected firms and individuals lobbyists at the table. Little ordinarily rides on the absence of any single lobbyist from a smoke-filled room.93

Judicial decisionmaking is structured differently. It is built on an adversarial process in which the courts necessarily delegate a great deal of the legal research to the litigants themselves. Moreover, the litigants have the exclusive responsibility to generate the facts that will be relevant in the proceedings. Through doctrines like waiver, common law courts may even prevent themselves from considering facts known to be true but that were nevertheless not brought forward because of errors made or calculated risks taken by the parties’ counsel. With only two parties to make arguments in a typical case, the failures of a single litigant to make the most effective arguments possible may well compromise the soundness of a court’s final decision. In non-adversarial civil law systems, by contrast, the arguments for expansive judicial takings protections are much stronger, because the courts do not externalize as many legal research and fact-finding costs to the parties’ counsel.

There are instances elsewhere in law where similar sorts of underinvestment might exist. For example, in the criminal context a defendant can retain private counsel of low quality and subsequently challenge a resulting conviction on the basis of an ineffective assistance of counsel argument. Courts apply the same standard for ineffective assistance of counsel regardless of whether the defendant’s lawyer was privately obtained or court appointed.94 In theory, the availability of an ineffective assistance claim could prompt defendants to underinvest in quality representation at trial. That said, the very difficult legal standard for prevailing on such a claim combined with the fact that the defendant convicted at trial will often be incarcerated during the appellate process substantially alleviates these concerns. A judicial takings claimant typically has relatively little skin in the game as the case proceeds beyond a final judgment at trial, and the

93 Administrative adjudication resembled litigation much more closely than it resembles administrative rulemaking, so there are good arguments for uniform treatment of “adjudicative takings” regardless of whether an agency or a court is the entity that deprives an owner of her entitlement.

94 See generally United States v. Williams, 562 F. 3d. 938, 940-41 (8th Cir. 2009).

95 See, e.g., Strickland v. Washington, 466 U.S. 668, 689 (U.S. 1984) (“Judicial scrutiny of counsel's performance must be highly deferential.”); Allen v. Secretary, 611 F.3d 740, 751 (11th Cir. 2010) (noting that to prevail in federal court habeas proceedings a challenge to a state’s finding that counsel was not ineffective a petitioner must show that the state court’s conclusion was objectively unreasonable as a matter of law).
plurality in *Stop the Beach* rejected the suggestion that a deferential standard of review would apply.\(^6\)

In short, legislative and administrative rule-making processes are thought not to suffer unduly when affected parties lack strong incentives to bring the relevant precedents and facts to the attention of the decision-maker. The judicial process, by contrast, can break down under such circumstances, at least in common law systems.\(^9\) Courts therefore have developed rules and norms that penalize lawyers for failing to bring controlling precedents to the attention of the judges. But in a judicial takings suit, the omissions of a lawyer for the plaintiff or non-governmental defendant are not obviously relevant to the inquiry, since it is the state’s conduct that is being challenged. Indeed, in *Stop the Beach* itself, it was revealing that the Florida Supreme Court had failed to cite *Martin v. Busch*,\(^8\) its own 1927 precedent that squarely addressed the situation before the Florida courts in *Stop the Beach*.\(^9\)

The U.S. Supreme Court plurality did note that the Florida Supreme Court had failed to cite *Martin*.\(^10\) But the plurality failed to mention the likely cause of the Florida court’s omission -- neither party had cited the case, the evident controlling precedent, in its briefing to the Florida courts.\(^11\) Critically, the defendant’s counsel evidently failed more than once to turn up the precedent in its legal research, as even its brief to the United States Supreme Court repeated the same mistake.\(^12\) Had it not been for the amicus brief filed by Solicitor General Kagan in *Stop the Beach* on behalf of the federal government, which discussed *Martin* in some detail,\(^13\) it is possible that the United States Supreme Court would have failed to realize that the Florida *Stop the Beach* decision happened to be consistent with longstanding limits on the rights of waterfront owners in that state. Alas, the Solicitor General is unlikely to file briefs in every run-of-the-mill

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\(^{6}\)See supra text accompanying note 85. To be sure, other doctrines may create underinvestment problems that the law tolerates. For example, the American rule, which typically requires the prevailing party to pay his own legal fees, may well encourage parties to underinvest in high-quality legal representation. The British rule of winner pays, by contrast, does not dampen incentives to invest in high-quality legal representation, though it may have other effects, such as promoting settlement. For an assessment and review of the literature, see John J. Donohue III, *Opting for the British Rule, or If Posner and Shavell Can’t Remember the Coase Theorum, Who Will?*, 104 Harv. L. Rev. 1093 (1991).


\(^{8}\) 112 So. 274 (Fla. 1927).

\(^{9}\)See supra text accompanying notes 3 - 9.

\(^{10}\) *Stop the Beach*, 130 S. Ct. at 2612.


\(^{12}\) See Respondent Florida Department of Environmental Protection’s Brief in Opposition, Stop the Beach Renourishment v. Florida Department of Environmental Protection (U.S. April 30, 2009) (No. 08-1151), available at2009 WL 1206633.

\(^{13}\) See Brief for the United States as Amicus Curiae Supporting Respondents, Stop the Beach Renourishment v. Florida Department of Environmental Protection (U.S. April 30, 2009) (No. 08-1151), available at 2009 WL 3183079.
state property law dispute, and even the Solicitor General’s research occasionally fails to turn up critical precedents or statutes, so the sort of mistakes we saw in Stop the Beach are likely to be repeated.

The parties’ and lower courts’ failure to cite Martin illustrates the potential costs of failing to ground a judicial takings doctrine in a realistic model of property law and the litigation process. The Stop the Beach plurality envisions a world in which property rights are straightforward and readily discerned by both courts and litigants alike. Recall the plurality’s central formulation of its test for judicial takings; it is a dead giveaway as to the formalism inherent in its approach: “If a legislature or a court declares that what was once an established right of private property no longer exists, it has taken that property, no less than if the State had physically appropriated it or destroyed its value by regulation.” To the plurality, the universe of property claims is binary: some are “established,” in which case a deprivation of them is a judicial takings. Other property rights are doubtful, in which case there can be no judicial taking. To property scholars, however, such a dichotomy seems inapt. Property rights are sometimes quite clear, but in the sorts of cases likely to be litigated in appellate courts, even “established” entitlements may be murky and contested. Parties can invest in discovering the scope of their entitlements to particular resources, and the more they invest in such discovery, the more clarity they will achieve with respect to the rights and obligations attendant to their property. Just as privately retained counsel are more likely to reach erroneous assessments of property entitlements if they do not invest sufficient resources in researching their scope, courts may err as well. Indeed, inadequate research expenditures by opposing counsel make erroneous determinations by the courts more likely. With each step up the appellate ladder, erroneous assessments of the scope of “established” property rights become less likely. But at no point are they reduced to zero. These three inevitabilities – the vague nature of the property rights likely to be contested in the courts of appeals, the resource, research, and analytical constraints faced by counsel, and the fallibility of all courts – provide another way to think about judicial takings and the circumstances under which a party ought to be compensated.

As Stop the Beach played out in the Florida courts, subpar lawyering was all around – with advocates, judges, and law clerks all failing to discover a precedent that the U.S. Supreme Court would ultimately and unanimously deem to be decisive. But what should follow from this sort of omission and, in a judicial takings suit, who should be financially responsible for such a blunder? One can imagine courts developing ad hoc waiver or preclusion doctrines within judicial takings jurisprudence to deal with the problem of mounting government liability

104 See, e.g., Kennedy v. Louisiana, 129 S. Ct. 1 (2008) (explaining the Court’s denial of a rehearing despite the justices having ruled in an Eighth Amendment case in a manner suggesting their embarrassing ignorance of 10 U.S.C. § 856, a federal child rape statute that was not mentioned in any of the briefs to the Court); Terry Eastland, Supremely Screwed Up?, Weekly Standard, Aug. 4, 2008 (discussing the Kennedy mistake by the Solicitor General’s Office, which admitted its error in failing to file a brief when the Court considered that case).

105 Justice Scalia has long held this view of property law as a readily-discerned set of rules. See Lucas v. South Carolina Coastal Council, 505 U.S. 1003 (1992).

106 Id. at 2602.

107 Id. at 2608 n. 9.

resulting from poor lawyering by plaintiffs. The courts could hold that a party alleging that the courts worked a judicial taking would be collaterally estopped from raising arguments in the judicial taking suit that had not been raised below. Some language in the Stop the Beach plurality opinion suggests receptiveness to the development of these sorts of procedural rules. On the other hand, both the way the plurality structured the test for judicial takings and the practice rules dictating that lawyers for both sides in a case are obliged to bring controlling authority to the attention of the court suggest that the government might have to pay for the mistakes of a lawyer representing a private property owner.

Advocates of judicial takings liability have argued that the requirement of compensation will promote stability in property law. But we can now see how the underinvestment problem associated with judicial takings liability in disputes between private landowners might push the other way. The stability of property law is promoted by courts that have a full understanding of what the law presently is and what the costs of changing it would be. When parties lack the proper incentives to educate the courts there is a substantial risk that judges will create the worst sort of instability – the kind created out of ignorance. The time lag between an initial error and the subsequent correction of that error in a judicial takings suit may be many years, perhaps a decade. In the interim erroneous precedent will stand, confusing other courts and the many parties that will negotiate deals or make investments in the shadow of the law. The underinvestment associated with judicial takings liability inevitably will reduce the quality of judicial decision-making and the coherence of property law. In a world with no judicial takings liability, by contrast, both the private property owner and the adverse litigant have incentives to hire the best lawyers to advance the best arguments, constrained of course by the stakes at issue in the litigation. The likelihood that the court will erroneously or unthinkingly abrogate existing property rights is diminished.

In light of this dynamic, there is a strong connection between the intentionality test we offered in Part I, and the underinvestment test we develop in this Part. Where parties that hold existing entitlements have strong incentives to invest in high-quality legal representation at the earlier stages in the proceedings, there is a lower probability that the courts will unwittingly deprive the entitlement holder of her property rights. And, in the absence of judicial mistakes, the deprivations that remain may end up being easier to evaluate for takings or due process violations. In other words, by creating incentives for investment in litigation resources, a narrower judicial takings doctrine may do a better job of protecting property entitlements over the long run than an expansive compensation requirement such as the one envisioned by the plurality in Stop the Beach.

In cases involving private parties litigating over whether property doctrines should change, due process doctrine can address the problems associated with underinvestment in high-quality legal representation relatively easily. The extent to which a property owner has made rational investments in high-quality legal representation or assisted them fully in their development of arguments seems like a natural consideration in procedural due process

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109 The plurality in Stop the Beach suggested that waiver would apply to issues not raised in the petition for certiorari, Stop the Beach, 130 S. Ct. at 2610 & n. 11.

110 See, e.g., Thompson, supra note 56, at 1544.
Incorporating such a concern into a doctrine of judicial takings, however, presents more of a challenge. Property law is designed to create stable entitlements that promote investments in improvements, and the law favors property protection when it does not want to force an owner to go to court to get third parties to respect his rights. It would be strange, therefore, to hold that a party that had failed to hire an effective lawyer in the initial legal proceedings would have a weakened takings claim as a result. After all, in other takings contexts, the fact of a mistake by the state as to ownership of property, even if the mistake results from the property-owner’s own failure to assert her rights, would not bar a claim for compensation under the Takings Clause. We propose a solution to this problem below, by arguing that comparative fault principles might be used to reduce just compensation awards when a litigant’s insufficient investment in high-quality lawyering contributed to that litigant’s loss of an entitlement.112 But we recognize that making such factors relevant would represent a significant departure from existing just compensation law. Thus, if due process becomes the primary avenue by which claims regarding judicially abrogated entitlements are litigated the law could – without too much trouble – differentiate between parties that diligently bring the relevant legal rules to lower courts’ attention and parties that had waited until after a lower court defeat to act assertively.

Even if the courts were to embrace a robust waiver doctrine, however, it would not solve the underinvestment problem. There is a difference between raising an argument in the lower courts with sufficient specificity as to avoid waiver and advocating an argument in the most forceful and persuasive way. Absent very strong deference to lower courts on questions of law, it is essentially impossible to construct a legal doctrine that both makes available a judicial takings claim for parties that lose their property rights in the first round of litigation and avoids dampening the incentive of those parties to invest in vindicating their rights in that round of litigation. Something like a comparative fault doctrine could mitigate the underinvestment problem, but unless judges have perfect information about unobservable facts, even that innovation would not incentivize socially optimal behavior by litigants. This is why it is important to correctly define the scope of the judicial takings doctrine at the outset.

Suppose we were to replay history, and this time the Solicitor General’s office had failed to turn up Martin v. Busch in its legal research. Suppose further that the justices and their law clerks had similarly missed the case. Under these circumstances, it is conceivable that the Supreme Court would have held that the actions of the Florida courts deprived the plaintiffs of their ownership rights to accretions and their rights to have their littoral property come into contact with the water, constituting a judicial taking. There were certainly Florida precedents lending some support to such an argument.113 If the Supreme Court’s conclusions about the substance of Florida property law were treated as authoritative by state and federal courts in Florida, the Court would have, in effect, unwittingly abrogated a property right that had belonged to the state government, which should have owned the land by virtue of Martin. But wouldn’t it

111 Cf. Matheney v. State, 688 N.E.2d 883, 891-93 (Ind. 1997) (holding that a client’s decisions to not cooperate fully with his lawyer’s preferred legal strategies inform the determination as to whether a post-conviction hearing complied with the requirements of the due process clause). See generally Walters v. National Ass’n of Radiation Survivors, 473 U.S. 305, 319-34 (1985) (discussing the circumstances under which the due process clause requires that claimants have meaningful access to high-quality legal representation).

112 See infra text accompanying notes 140-142.

113 See, e.g., Board of Trustees v. Sand Key Assoc., 512 So.2d 934 (Fla. 1987).
necessarily follow that the Supreme Court itself had, in (incorrectly) adjudicating one party’s claim for a judicial taking, committed a judicial taking of its own? Who is to police judicial takings by the highest judicial body?

Imagine that, after the mandate issues in *Stop the Beach*, the state’s lawyers turn up *Martin v. Busch*. Since the federal government must compensate state governments when it takes their property under the Takings Clause, the State of Florida might then be able to file a suit in federal court, alleging that the United States Supreme Court had taken its property when it misadjudicated the judicial takings claim. Accretions that should have belonged to the state had been transferred to private property owners as a result of *Stop the Beach*. It seems the state in this follow-on case should win. Although we have framed it as a hypothetical, the possibility of judicial takings by the Supreme Court is real. Arguably, under *Stop the Beach*, the United States Supreme Court’s opinion in *Keystone Bituminous* was a judicial taking, insofar as it abrogated the right of a property owner to recover for a claim that had been clearly recognized by Supreme Court jurisprudence for more than a generation.

Is there an alternative to this possibility of a merry-go-round of litigation of the same entitlements, particularly in the case of similarly situated landowners who were not involved in the original litigation? Due process provides a sensible framework for considering these issues. The Takings Clause inquiry focuses on the magnitude of a private loss and the social justifications for imposing that loss on a particular owner, leaving little room for questions like whether a litigant was involved in earlier litigation. The Due Process framework provides a more attractive way to analyze these sorts of issues.

A *Matthews v. Eldridge*, procedural due process approach, with its focus on providing owners with a reasonable opportunity to be heard, would balance the property owner’s investments in representation against the value of the interests at stake. Where little is at stake, the owner could get away with lesser investments in legal representation. Where the stakes are high and the risk of loss significant, a due process framework would penalize the property owner who failed to take reasonable steps to obtain highly qualified legal representation in a case affecting her property rights. Under such a procedural due process approach, cases in which a

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115See *Keystone Bituminous Coal Assoc. v. DeBenedictis*, 480 U.S. 470 (1987) (rejecting on virtually identical facts the central holding in the landmark regulatory takings case of *Pennsylvania Coal Co. v. Mahon*, 260 U.S. 393 (1922), which had held that Pennsylvania legislation designed to prevent subsidence of surface land over coal deposits amounted to a regulatory taking by depriving the coal company of a support estate that it had purchased from the surface owners); Mulvaney, *supra* note 18, at 259.

116See *Lingle v. Chevron USA, Inc.*, 544 U.S. 528 (2005) (describing the regulatory takings inquiry as focusing “upon the severity of the burden that government imposes upon private property rights” in contrast to a Due Process inquiry focused on the rationality of the government’s policy decision). The Court’s discussion in *Palazzolo v. Rhode Island*, 533 U.S. 606 (2001), of the timing of an owner’s acquisition of property relative to the imposition of a regulatory burden does not reflect an effort to inquire into the owner’s opportunity to influence the rule-making process. Rather, that case concerned the threshold question of whether an owner ever actually owned the interest he accuses the government of taking from him.

117To be sure, there are incentives created by judicial takings liability that might cut the other way. For example, unclear statutory regimes may lend themselves to greater fluctuations in the content of private property rights. The less clear a statutory regime, the more judges will struggle with identifying the holders of property rights and the scope of those rights. Judicial takings liability therefore could function as a disciplining mechanism. Legislatures
party that had been involved in round one of the litigation sues in round two may be treated
differently than cases in which the party alleging the deprivation of a property right was not a
litigant in the proceedings below.118

Now the property owner challenging the court’s action had limited opportunities to
prevent the abrogation of his property rights in the first instance. That is not to say that the
challenger had no capacity to affect the results in the proceedings below. After all, the property
owner could have filed an amicus brief or perhaps even moved to intervene. But the question
arises as to whether that is a reasonable burden to place on property owners. Property law often
embraces the idea that owners do not usually have to explain themselves.119 Because property
law is designed to promote secure investments, the law hesitates to impose on owners an
affirmative burden to remain constantly vigilant about shifting legal doctrines that may affect
their rights. The almost universal practice in property law (particularly in the land use context) is
to exempt existing property entitlements from new rules, grandfathering them in, either for some
extended period of time, until the property changes hands, or the property owner ceases to avail
herself of the old rule.120 The question of how much of a burden to place on owners to keep abreast of litigation activity that might affect their rights is one of trade-offs. On the one hand, incentivizing similarly situated parties to participate in litigation reduces the risk of judicial error. On the other hand, we recognize that forcing the similarly situated parties to monitor litigation that might conceivably affect their rights substantially burdens large numbers of owners.

The preceding discussion assumes that a party that has lost his entitlement as a result of a
court’s reversal of a longstanding property doctrine is entitled to damages. As we discussed
above, however, this remedial question was the subject of an extensive back and forth between
the plurality, which thought invalidation of the judicial decision giving rise to the taking would
be the normal remedy, and Justice Kennedy, who assumed that damages was the proper remedy
for a violation of the Takings Clause. If we assumed that the plurality’s approach to remedies
was the correct one, and that landowners would be entitled to have regulations that constitute
judicial takings invalidated (with the payment of damages only for the time during which the
will have incentives to create clear entitlements at the outset so as to minimize the risk of judicial error and attendant judicial takings liability. See generally Adrian Vermeule, The Judiciary Is a They, Not an It: Interpretive Theory and the Fallacy of Division, 14 J. Contemp. Legal Issues 549, 564-65 (2005) (discussing the possibility that judicially enforced clear statement rules might prompt more careful legislative deliberation). Assuming that we would like to see legislatures, as opposed to courts, dictating the substance of property rights, incentivizing the creation of clearer legislative rules would be beneficial. Courts in landmark cases like Moore v. University of California Regents, 793 P.2d 479 (Cal. 1990), and Diamond v. Chakrabarty, 447 U.S. 303 (1980),have articulated the idea that legislatures ought to be the legal institution of choice when it comes to recognizing new private property rights. Even taking this preference for legislative action as a given, it is conceivable that legislatures could respond to the prospect of judicial takings liability in a different way. They might simply become much more reluctant to create new entitlements in the first place. If they create no entitlements, they can incur no takings liability. This concern might warrant skepticism about imposing liability for any sort of regulatory taking, but it is most salient in those domains where an institution other than the legislature will be responsible for avoiding liability. Seen in this light, the legislature's inability to prevent judicial takings coupled with its liability for those takings heightens the danger that legislatures will enact unduly cautious policies prophylactically.

118 See Barros, supra note 22, at 39-40, 42-43.


120 See Serkin, supra note 73, at 1223-32; see also supra notes 71 - 73, and accompanying text.
regulation was in effect), how would that change the analysis of asymmetric litigation incentives offered above? It is tempting to think that the availability of a judicial takings challenge in the federal courts would simply resemble an additional layer of appellate review, with a (small) possibility that the federal courts might effectively reverse a state court’s interpretation of its own property rules.\footnote{In that case the process would resemble an approach recently advocated by Jonathan Mitchell, who argues that federal courts should take a more active role in interpreting state law so as to minimize the need to reach a federal constitutional question unnecessarily. Jonathan F. Mitchell, \textit{Reconsidering Murdock: State-Law Reversals as Constitutional Avoidance}, 77 U. Chi. L. Rev. 1335 (2010).} If that were the case then the availability of a judicial takings remedy would not result in any asymmetry between the party seeking to change the existing arrangement of entitlements and the party advocating a continuation of existing rules. But upon closer reflection, a judicial takings inquiry differs from an additional layer of appellate review in one important respect: it is an additional layer that is available only to a party that has lost its preexisting entitlement. As a conceptual matter, this asymmetry should have two countervailing effects: it will incentivize parties seeking to preserve the status quo to invest fewer resources in defending their rights at each stage of the legal proceedings, and it could make parties that would like to change existing entitlements less likely to attempt to do so via the courts. The former effect promotes instability in property doctrine while the latter effect may cut the other way under certain assumptions about the propensities of courts and legislatures. It is not clear which effect would dominate, though it seems at least plausible that the net result of judicial takings liability would be increased instability in entitlements, even if injunctive relief becomes the default remedy.

In a recent patent law paper, Jonathan Masur has shown that the unidirectional availability of appellate review can skew substantive litigation outcomes systematically.\footnote{See Jonathan F. Masur, \textit{Patent Inflation}, University of Chicago Public Law Working Paper No. 316 (June 11, 2010).} The judicial takings example shows that the unidirectional availability of appellate review could diminish the incentives of the parties to make their strongest legal arguments, resulting in legal rules that are more likely to vacillate during the pendency of a case. If all appellate cases are resulting from appeals by parties alleging that the lower courts have abrogated their existing entitlements – not from an equal mix of parties challenging the lower courts’ abrogations and refusals to abrogate entitlements – then erroneous determinations by reviewing courts that existing rights were abrogated by lower courts will be inevitable. The absence of deference to state courts or of vigorous waiver doctrines would result in further skew. This effect may be significant for owners that are situated similarly to the party that is seeking to preserve its entitlement. In a world where judicial takings remedies provide these parties with a second bite at the apple, they have diminished incentives to file amicus briefs or intervene in early stages of a proceeding. The strategy of waiting until the state court appeals are fully resolved, and then raising judicial takings arguments that were not considered by the courts below could often constitute the optimal litigation strategy for a similarly situated owner, albeit a strategy that imposes negative externalities on the courts and those similarly situated. The second order effect of asymmetric appellate review would be decreased expenditures on legal representation at the early stages of a case.

We can now bring the discussion full circle. Recall that in Part I we suggested that it is appropriate to use the judicial takings framework to analyze cases in which the court
intentionally changes a property rule in order to appropriate private property to achieve some public goal. This is significantly more likely to occur where the state is actually a party to the action than when the case is simply a dispute between private parties, though we concede that—as with the New Jersey beach cases—some private disputes may present opportunities for intentional appropriations. But, importantly, our criticisms in this Part of the asymmetric incentives created by judicial takings have been limited to those instances in which both parties to a dispute are non-governmental actors. The incentive to underinvest is substantially diminished in cases involving governmental defendants for two reasons. First, it is the government that will be on the hook for any damages that are ultimately awarded to property owners. Second, and perhaps less obviously, state actors are likely to be repeat players in property litigation. Res judicata and stare decisis mean that a defendant who expects to have to confront many similarly situated landowners is likely to invest appropriately in retaining high-quality legal counsel at every stage in the legal proceedings, regardless of whether the possibility for bringing a judicial takings suit exists. Governments have enough at stake to warrant the expenditures. To be sure, their lawyers may still make costly mistakes—as Florida’s lawyers did in *Stop the Beach*—but the clients will have the right sorts of incentives to minimize these mistakes over the long run. Because nearly all governments will be repeat players in property litigation, and only a few private actors will be, using divergent doctrines to deal with the challenges of private-versus-public and private-versus-private litigation provides a sound enough heuristic.

**III. How to Differentiate Takings and Due Process, and Why It Matters**

On the basis of our analysis in Parts I and II, we can now identify several connected factors that can help courts decide when a claim that the judiciary has curtailed an owner’s private property rights should be litigated under the Takings Clause and when it should be litigated under the Due Process Clause. The following table summarizes our argument:

<table>
<thead>
<tr>
<th>Factors Warranting Judicial Takings Treatment</th>
<th>Factors Warranting Due Process Treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Intent to Appropriate Property for Public Use</td>
<td>• Absence of Intent to Appropriate by the Judiciary</td>
</tr>
<tr>
<td>• Presence of Repeat-Player, Governmental Litigants Mitigating Underinvestment Problem</td>
<td>• Absence of Repeat-Player Litigants, Creating Underinvestment Incentives</td>
</tr>
<tr>
<td>• Government Retains the Property for a Public Use</td>
<td>• Government Does Not Retain the Property, but Court Merely Causes a Private Owner to Lose It</td>
</tr>
<tr>
<td>• Coordinated Effort Between Judiciary and Another Branch</td>
<td>• Self Dealing by the Judiciary, with Judges as the Direct or Indirect Beneficiaries</td>
</tr>
</tbody>
</table>

123 At the risk of stating the obvious, we do not attribute the mistakes of Florida’s lawyers in *Stop the Beach* to the existence of a judicial takings doctrine because a judicial takings cause of action had not been recognized by the federal courts at the onset of litigation in that case.
These four basic factors—(1) intent to appropriate private property for public use, (2) repeat play, (3) state retention of the property, and (4) coordination—are the central questions that courts should confront in deciding whether it is appropriate to treat government conduct as a potential judicial taking. The factors stem from conceptual, textual, structural, and pragmatic readings of the constitutional text, and are largely congenial to existing precedents. Although there will be (hard) cases in which the factors will point in different directions, we expect the factors to correlate strongly in the majority of cases, with the intent element providing much of the connective tissue. Coordination rarely happens in the takings context without knowledge and intent. Where the government winds up with control over an entitlement it previously lacked, it is likely to recognize the alteration of the status quo and the possibility of intent to appropriate looms large. Inadequate legal research and poor framing of the arguments by non-repeat-player litigants will make it more likely that the judiciary unintentionally strips an owner of an existing entitlement. We believe that these four factors present a workable standard that can be used to guide courts in judicial takings and due process cases going forward.

What are the implications of a claim being placed in the takings box, as opposed to the due process box? Now we will work with a contrasting list of threes, and we again can encapsulate the key distinctions in a simple table. The first is that, in most cases, judicial takings claims will likely be easier to win than due process claims. A judicial takings claimant need only show that the government’s act violates one of the existing tests for whether a taking has occurred. A due process claimant will, in most cases, have to show that the government’s conduct does not withstand rational basis review or a similarly demanding standard. This will be a tall order, though it can certainly be accomplished in cases involving judicial self-dealing, needless losses imposed on owners, or other forms of arbitrary action. Indeed, despite the low reputation for success of due process claims against economic regulation in federal court, state courts have shown a greater willingness to strike down land use regulations on due process grounds.124 In other words, relegating a category of claims to a due process analysis is by no means a death-sentence for property owner’s chances of success.

The second implication is that the remedy for judicial takings will ordinarily be damages, and the remedy for a due process violation will be injunctive relief. The third implication flows from the second. In judicial takings cases, a remedy adjustment along the lines of comparative fault will be available to deal with lingering underinvestment incentives. In due process cases, the nature of the injunctive remedy will preclude a comparative fault approach, though a less precise defense analogous to contributory negligence may be available.125

125 Other pertinent distinctions do arise, though they do not map onto the judicial takings versus due process dichotomy. For example, the opportunities for legislative reversal will differ between judicial takings cases and the two kinds of due process cases. More precisely, both judicial takings cases and procedural due process cases will provide the relevant legislature with an opportunity to accomplish the objective that the judiciary was seeking to achieve, assuming the legislature shares the judiciary’s goals. In other words, if the legislature feels that the judiciary appropriately abrogated existing property rights (say, in order to maximize the community’s welfare) it can pay the affected private property owners and continue to enjoy the benefit of the new judicial rule. If, by contrast, it feels that the judiciary was grabbing entitlements that ought to remain in private hands, then it can restore the pre-litigation status quo ante. This will limit the legislature’s financial liability to temporary damages that accrued.
Table 2: Implications of the Judicial Takings and Due Process Approaches

<table>
<thead>
<tr>
<th>Implications of Judicial Takings Treatment</th>
<th>Implications Due Process Treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Relatively Easy for the Entitlement Holder to Prevail</td>
<td>• Relatively difficult for the entitlement holder to prevail</td>
</tr>
<tr>
<td>• Damages Remedy</td>
<td>• Injunctive remedy</td>
</tr>
<tr>
<td>• Comparative Fault Available to Address the (Small) Underinvestment Problem</td>
<td>• Contributory Negligence Potentially Available to Address the (Large) Underinvestment Problem</td>
</tr>
</tbody>
</table>

A. Likelihood of Success

Having articulated those implications of treating the case one way or another, let us now explore the intricacies of those implications in more detail. We begin with the question of how likely a property holder challenging a judicial decision is to prevail. Where an alleged judicial taking does not transfer fee simple owner from one owner to another, evaluating the merits of the takings claim should proceed under existing Supreme Court regulatory takings precedent. The Stop the Beach plurality formulated its test for judicial takings as requiring, as a threshold matter, a change in state property law. This requirement makes sense as a threshold requirement not just for judicial takings, but for regulatory takings in general.126

Where the activity regulated by the new rule is not a nuisance,127 the Supreme Court’s decision in Penn Central supplies the default test for resolving claims that the new regulation amounts to a taking of private property. Although it has been extensively criticized in the academic commentary for its indeterminacy, the Penn Central test has functioned in this role for over three decades.128 Under the Penn Central approach, the mere fact that a judicial decision changes the law in a way that burdens some part of an owner’s bundle of rights to accomplish a public use will not invariably support the conclusion that the court has “taken” the owner’s property without just compensation in violation of the Constitution. Instead, Penn Central instructs courts, considering the impact of the regulation on the parcel as a whole, to weigh (1) the economic impact of the regulation, which courts have often taken to mean the impact of the

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126 See Doremus, supra note 29, at 3.
127 The Hadacheck per se rule tells us that where a court is acting to abate a nuisance, the attendant restrictions on the property rights of the party that created the nuisance should never amount to takings. See Hadacheck v. Sebastian, 239 U.S. 394, 410 (1915).
regulation on the market value of the parcel; (2) the degree to which the regulation interferes with owners’ “investment-backed expectations” for it, and (3) the character of the government action, such as the degree to which it singles out particular owners for uniquely burdensome consequences.129

One aspect of the character of the government action that both courts and commentators have found to be particularly salient is the degree to which it singles out owners for uniquely burdensome consequences.130 As Saul Levmore has observed, “[a] central theme of takings law is that protection is offered against the possibility that majorities may mistreat minorities.”131 Government action that concentrates its costs on a small number of individual property owners leaves those owners uniquely vulnerable to majoritarian abuse.132 The concept of the judicial taking interacts in potentially complicated ways with this emphasis on “singling out.” Because of the case-by-case nature of judicial decision-making, the argument might be made that every judicial decision imposing a loss on an owner in some sense singles that owner out for adverse treatment. This would suggest that judicial action might be especially likely to lead to successful Penn Central regulatory takings claims or, perhaps, that judicial takings claims should be treated in a categorically different way within a regulatory takings analysis. If, as we argued above, however, a judicial takings claim only arises when courts change the law (as opposed to when they merely apply existing law to the litigants before them), then judicial takings do not appear to be different in kind from takings worked by other branches of government from the standpoint of their likelihood to single out. In assessing the degree to which a judicial rule change singles out property owners for the purposes of applying the third Penn Central factor, the nature and reach of the new rule of decision is the appropriate object of the “singling out” inquiry, as it would be for any other state actor. That new rule can be very broad, or it can be exceedingly narrow. The mere fact that it is a court that is making the new rule should not itself be the decisive consideration.

In addition to the three-factor analysis laid out in Penn Central, the Court has supplied a number of “per se” regulatory takings tests that apply to narrow contexts. Where, for example, a state authorizes the permanent physical occupation of land—either by the government or by a third party—for a public purpose, the Court’s decision in Loretto v. Teleprompter Manhattan CATV134 holds that per se a taking has occurred. In the judicial takings context, this would mean that where a judicial decision that is appropriately characterized as a possible taking changes the existing law of property in order to require an owner to submit to the permanent physical occupation of her land, the payment of just compensation is required. In the past, the Court has assumed that easement-like public access rights are equivalent to a permanent physical

129 See id. at 124.
130 See id.; see also John E. Fee, The Takings Clause as a Comparative Right, 76 S. Cal. L. Rev. 1003, 1039 (2003); Levmore, Just Compensation, supra note 92 Error! Bookmark not defined., at 306-07; Treanor, supra note 35, at 866-80; Peñalver, supra note 32, at 2223-28.
131 Levmore, supra note 92, at 309.
132 See id.
133 See supra notes 27–29 and accompanying text.
occupation. This suggests that, for example, a judicial decision mandating public access to private property in order to accomplish a public end, such as the New Jersey Supreme Court’s line of beach access decisions, would constitute a per se judicial taking unless the decision were consistent with existing state-law property principles (as the New Jersey beach-access decisions may have been).

Another important “per se” rule the Court has adopted in the regulatory takings context holds that, where a state permanently and completely deprives an owner of the economically beneficial use of his land, a taking has occurred. The exception, the Court said, is where the restriction on the owner’s use of her property is consistent with “background principles of state law,” for example by prohibiting the owner from creating a nuisance. As with the other regulatory takings doctrines, the Lucas test translates relatively easily into the judicial takings context. The question simply becomes whether a state-court decision deviates from background principles of property law (such as the existing law of nuisance or zoning) and, if so, whether it has the effect of permanently depriving an owner of all economically beneficial use of his land. Where the answer to both of these questions is yes, a judicial taking has occurred.

Where judicial takings analysis is inappropriate, claims by owners complaining that a judicial decision has deprived them of property should be evaluating using a due process analysis. As we discussed above, the due process analysis includes both a procedural and a substantive component. Procedurally, a property owner is entitled to notice and an opportunity to be heard before losing her property. The retroactive application of a rule to a party with a fully vested property right implicates the notice element of procedural due process. Although the owner does have an opportunity to be heard – in the sense that someone has to initiate a judicial process to effectuate the new rule – the inability of the owner to do anything to avoid her loss constitutes a failure of notice in a way that implicates fundamental conceptions of fairness. But this does not translate into a bright line rule that retroactivity in property law violates principles of procedural due process.

In addition to its procedural protections favoring notice and an opportunity to be heard, due process in its substantive dimension protects owners against arbitrary treatment at the hands of state actors. Although they have not always kept regulatory takings and substantive due process distinct, courts have normally understood the substantive due process inquiry to involve an evaluation of the fit between the means and ends. In contrast, the takings inquiry is usually understood to focus on the fairness of the burden a law imposes on a particular owner. Where a court inadvertently imposes a loss on a property owner by retroactively applying a new property rule, a substantive due process claim would argue that the decision of the court not to apply the rule prospectively is itself arbitrary. Although the argument that a state action is arbitrary under the rational basis test is usually thought to be virtually impossible for a claimant to win, there are a number of reasons to think that it would not be a futile argument to make when a property rule is applied retroactively. For starters, these claims would all arise in


137 See Lingle, 544 U.S. at 542.

138 See id. at 540-42.
situations in which the owner’s loss does not itself foster any state purpose, otherwise the claim would be analyzed under the rubric of judicial takings. And while there might be reasons a court would argue that it was rational nonetheless to apply a new rule retroactively – largely due to questions of administrative convenience – those arguments would carry less weight in the context of judicial takings, where the fact of case-by-case adjudication substantially weakens the benefits of retroactive rule application.

Indeed, except where it would be difficult to determine when a property interest was created, the case for the rationality of retroactivity in property cases where the loss suffered by the owner does not itself advance the policy behind the new rule seems very strong. Because most interests in land are created through written, publicly recorded documents, proving when they are created is usually a relatively straightforward task. But where it is hard to determine when a property interest was formed, that difficulty can itself constitute a reasonable basis for deciding to apply the rule retroactively (or, more accurately, in all cases decided thereafter). Interests in personal property are often created without such contemporaneously recorded documentation. So, due process should perhaps be more tolerant of retroactivity with respect to personal property and less so where interests in real property are at stake, where arguments against limiting a rule to prospective application would be harder to justify. Even where it would be relatively easy to determine when an item of personal property was acquired, prospective application of a new rule may be more time consuming and costly than universal application of the new rule. This might happen, for example, where application of the new rule normally occurs outside of an adjudicative process. This is the case, for example, with rules concerning income taxation and so we should not be surprised to see greater tolerance of retroactivity in that context.139 Another situation in which the presumption against retroactivity would not carry as much weight is where it is clear that the parties to a particular transaction did not alter their position in reliance on the old rule. In those situations, retroactive application of the rule does not do much to frustrate the parties’ expectations and courts seem more willing to apply the new rule retroactively.140

B. Procedural Questions

How would a property owner raise a judicial takings claim? For the owner involved in the state-court litigation that arguably gives rise to the judicial takings cause of action, one obvious course is to raise the claim in the state-court proceeding itself. If the state were not already a party to the action (a possibility, depending on the test being used to determine the proper boundaries of the judicial takings doctrine), there would need to be some mechanism for providing notice to the state’s attorneys. Raising the judicial takings claim might be procedurally awkward in the earlier stages of litigation, particularly where the judicial decision giving rise to the taking strikes like a bolt from the blue. But motions for rehearing and, more obviously, the appellate process provide procedural means for raising the judicial takings argument.


140 See, e.g., Mannillo v. Gorski, 255 A.2d 258 (NJ 1969) (applying a new adverse possession “state of mind” requirement to the case before it because the parties were unlikely to have relied on the old rule).
A slightly trickier question arises for nonparty owners whose interests are affected by judicial decisions. If a state court, for example, says that all beachfront property must be made open to the public, this might work a judicial taking of the property of owners not participating in the litigation in which the court announces the new rule. The Supreme Court’s decision in *Williamson County Regional Planning Commission v. Hamilton Bank of Johnson City*\(^\text{141}\) requires takings claimants to seek compensation through state-created procedural mechanisms – including a state-court action for inverse condemnation – before proceeding to federal court with an assertion that the state has violated the Takings Clause. Applying *Williamson County* in the context of a judicial taking suggests that a nonparty owner who believes she has been deprived of property by a state-court decision must first seek compensation by filing an inverse condemnation action in the state court. But where the compensation issue has already been litigated in the state courts, such an inverse condemnation action may well seem futile, as critics of *Williamson County* have long understood. Nevertheless, this futility in the judicial takings context does not seem to be different in kind from that faced by, say, a property owner raising a non-judicial regulatory takings claim that is substantially similar to one that has already been litigated unsuccessfully by another property owner. Consequently, the argument for departing from existing procedural requirements for raising regulatory takings claims seems weak.

C. **Comparative Fault and Contributory Negligence**

Having already discussed the remedial implications of a determination that state action implicates the Takings Clause or Due Process Clause, we can now say more about remedies. We have suggested that the judicial takings framework is inappropriate in cases where the underinvestment problem is significant. That said, because underinvestment is one of four factors relevant to the judicial takings versus due process inquiry, there may be disputes that present a real underinvestment problem but nevertheless ought to be characterized as judicial takings cases. Moreover, while the presence of a repeat player mitigates the negative externalities associated with underinvestment in high-quality legal representation, it does not eliminate it altogether. To the extent that a free-rider problem persists, a “comparative fault” approach might make some sense in the judicial takings context. For example, instead of losing a claim outright, an owner who has her property taken for public use (in part) because of her own failure to bring favorable relevant precedent to the court’s opinion might suffer some percentage reduction in the “just compensation” ordered for a successful judicial takings claim. Such a mechanism would operate like a waiver doctrine, requiring owners to bring their judicial takings claim to the courts’ attention at the earliest point when courts are best able to deal with the substantive legal and retroactivity questions. At present, comparative fault is a concept quite foreign to takings jurisprudence. But, until recently, the idea that a court could commit an unconstitutional taking was largely foreign as well. The creation of judicial takings liability presents several new legal challenges, and importing comparative fault from tort law is a sensible approach to addressing a problem that does not really arise in traditional takings cases, which do not depend on the

\(^{141}\) 473 U.S. 172 (1985).
property owner’s own involvement in the adversarial litigation process. To be sure, there may be some concern that, if comparative fault were to find a foothold in judicial takings law, it might be expanded to cover ordinary takings cases where a well-connected constituent had failed to mount any political resistance against a regulation that would wipe out the value of his property, and this in turn could have pernicious consequences by encouraging landowners to take a scorched-earth approach to resisting regulatory change. But the distinctive nature of judicial decision-making, with its reliance on litigants to educate the court about the legal landscape, means that waiver-like doctrines such as the comparative fault scheme we are describing, could appropriately be restricted to the discrete domain of judicial takings.

There is precedent both for approaching takings and due process cases with an eye toward splitting the burdens of the regulation between the regulating entity and the regulated entity and for penalizing owners who negligently bring regulatory hardship upon themselves. For example, most state courts hold that new land use regulations cannot be applied to existing uses without, at a minimum, a “reasonable” amortization period that equitably balances the public good generated by the regulation against the private burden imposed on the regulated landowner. As with the due process cases more generally, the courts in amortization cases seem to be aiming to achieve a fit between the means and ends sought by the policy and the private property owner’s economic interests. And, in land-use cases, courts routinely treat self-created hardship by property-owners as a reason to allow regulators to impose heavier burdens on the landowner.

In the due process context, where affected property owners have had an opportunity to be heard, but share some blame for the application of the new rule to their claim, the appropriate legal rule might spread the costs between the government and owners whose own actions had contributed to the judicially imposed loss. One could imagine a regime much like contributory negligence, operating at the stage of determining whether there has been a violation of the Constitution, not at the stage of what the damages should be for such a violation. If a property owner had been involved in the proceedings below, but failed to cite relevant precedents that made it clear to the court that a decision adverse to them would abrogate an existing property right, then her claim that the decision retroactively changing the rule of property violated due process would fail. If, however, a property owner with notice of a pending case had failed to intervene while a court ruled against a similarly situated landowner, the argument that the owner is somehow at fault for the loss she has suffered would be much weaker. Of course, contributory

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142 An ingenious law review comment recently proposed a similar move in the context of compensation for wrongful convictions, noting that several common-law countries had imported comparative fault principles into their analysis of appropriate damages. See Adam I. Kaplan, Comment, The Case for Comparative Fault in Compensating the Wrongfully Convicted, 56 UCLA L. Rev. 227, 264-69 (2008).

143 We think the argument that comparative fault principles should loom larger in takings cases more generally is worthy of further consideration, though we are not prepared to take a position on that question here. For an article that develops this sort of approach to regulatory takings, see John E. Fee, The Takings Clause as a Comparative Right, 76 S. Cal. L. Rev. 1003 (2003).


145 The most common context in which this consideration arises is when homeowners are seeking a variance from a zoning law that imposes a significant hardship on one of their parcels. See, e.g., Bloom v. Zoning Bd. of Appeals of City of Norwalk, 233 Conn. 198, 658 A.2d 559 (1995); Eastroads, L.L.C. v. Omaha Zoning Bd. of Appeals, 261 Neb. 969 (2001); Shemo v. Mayfield Hts., 722 N.E.2d 1018 (2000); Sciacca v. Caruso, 769 A.2d 578 (R.I. 2001).
negligence’s all-or-nothing character is troubling. Takings cases, which necessarily involve monetary damages and therefore lend themselves to fine-grained approaches like comparative fault, provides judges with a more comfortable margin for error.

D. So What Is a Judicial Taking? A Few Examples

Assuming that compensating parties for property losses imposed by the judiciary is appropriate, we conclude that there is a category of cases that should be treated as judicial takings. These cases involve a judicial decision holding that a property right previously possessed by a private property owner is now to be taken from the owner in order to serve some public end. While we believe that the universe of judicial takings claims should be constrained, there are plenty of disputes that fit the bill. Stop the Beach itself would have presented one such case. Recall that the U.S. Supreme Court in Stop the Beach held that the state, not the private property owners, possessed the right to the newly filled beach under existing Florida law. Had prior Florida law pointed in the other direction, then the Takings Clause would have been the appropriate tool for considering the constitutionality of the state courts’ conduct. As we have argued, applying the Takings Clause to cases in which judicial action redefines property rights in order to put what were previously private property rights to public use makes good sense for a number of different reasons. If the Florida Supreme Court had in fact changed its law of avulsion, Stop the Beach would have had the profile of a classic takings case. In a hypothetical world where the property owner had a clear entitlement, but the state proceeded with the beach filling project, the intentionality element would have been satisfied: the judiciary would have been knowingly abrogating a private property interest in order to serve the public interest. The courts would have been the instrumentality by which the government defendants in Stop the Beach took private property for public use, literally redefining private property as state property. The case involved a state government repeat-player as one of the litigants. That repeat-player had appropriate incentives to bring the pertinent precedents to the court’s attention, given the stakes in other land disputes in which they may have been implicated. And, of course, the government defendants in Stop the Beach became the owners of the land in question.

On the reading of the Fifth Amendment we proposed in Part I, then, the state’s action in this hypothetical situation looks more like a taking than a (due process) deprivation of property. The only missing factor separating our modified Stop the Beach scenario from a paradigmatic judicial taking would be the absence of obvious coordination between the judiciary and another branch. But while the presence of coordination strongly suggests that treating a state action as a potential judicial taking is appropriate, the opposite does not follow from the absence of coordination. Counterfactually, then, had prior Florida law treated avulsions the same way it treated accretions, the state’s actions might well have amounted to a per se judicial taking under Loretto. Having said that, it is plausible that the state’s action would have amounted to a taking that did not warrant the payment of compensation, just as Loretto herself received only one dollar in compensation on remand from the Supreme Court.146 The best defense of Florida’s beach renourishment is that it was necessary to prevent the beachfront owners’ houses from eventually washing into the sea as a result of beach erosion. Under such circumstances, the

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state’s condemnation of the land for the purposes of widening the beach may have left the property owners better off than the alternative of state inaction.\textsuperscript{147}

The public-private boundary dispute we discussed at the beginning of Part I is analytically similar to \textit{Stop the Beach}. Part I’s not-so-hypothetical dispute between private parties over adverse possession rules, by contrast, will most often implicate the Due Process Clause. Even though the hypothetical arises in a situation where the courts recognize that they are deviating from a previously controlling precedent, the question of precisely which property owner prevails (and which loses) under the new rule is almost certainly a matter of indifference to the court. And so the intent to appropriate is lacking. The analysis would be different if the new rule were enacted – and applied retroactively to vested claims – precisely in order to reallocate property from one group (e.g., squatters) of claimants to another (e.g., absentee owners). Moreover, the other components of a paradigmatic judicial taking (as we have described them) are missing. The litigants were not repeat-players, which make us worry about underinvestment and should diminish our confidence in the extent to which the court made fully informed decisions about the prevailing framework and the costs associated with departing from the existing rule. The government did not ever take control over the disputed parcel of land, nor was it put to a use appropriately characterized as a public one at the conclusion of the litigation. The fact that the state probably had some efficiency- or fairness-oriented purpose in changing its property doctrine tells us nothing about the ultimate use of the land. And even if we were to assume that the change in the doctrine will likely have the effect of transferring land from lower-value to higher-value users across the large universe of cases, there would be no grounds for reaching a particularized finding with respect to the highest value use of the parcel at issue on the facts before the court.\textsuperscript{148} Finally, there was nothing to suggest a coordinated effort between the judiciary and another branch. If the court were to apply the rule retroactively to adverse possession claims that had already vested before the new rule was announced, due process would be the better framework for evaluating the constitutionality of the state court’s action.

Other cases, even those not involving permanent physical occupations of private land by the state, provide further examples of disputes that would be good candidates for analysis as judicial takings. Consider, for example, the New Jersey Supreme Court’s decisions in \textit{Matthews v. Bay Head Improvement Association}, which we discussed above, and \textit{Raleigh Avenue Beach Association v. Atlantis Beach Club}.\textsuperscript{149} In \textit{Matthews}, the New Jersey high court expanded the reach of the public trust doctrine to require recreational public access to the dry sand areas of certain privately owned beaches. In \textit{Atlantis Beach Club}, it applied its holding in Matthews to require the private beach club to allow members of the public to make use of recreational use of its dry sand beach without payment of the usual membership fee (though the court did allow the club to charge members of the public a reasonable fee to cover the cost of club services they


\textsuperscript{148} Compare the very extensive legislative findings and planning in \textit{Kelo}, which the majority deemed necessary to justify the use of the eminent domain power for economic development purposes. See Nicole Stelle Garnett, \textit{Planning as Public Use}, Ecology L.Q. 443, 448-54 (2007).

\textsuperscript{149} 879 A.2d 112 (N.J. 2005).
enjoyed while using the beach). Applying our theory of takings as purposeful appropriation of private property for public use, cases like Matthews and Atlantis Beach Club would seem to fall within the ambit of a judicial takings analysis (though that is not the same as saying that, given New Jersey’s background property law and the other considerations necessary to find a Takings Clause violation, they would actually constitute judicial takings).

IV. Conclusion

This paper confronts the most serious and significant disputes that arose in Stop the Beach, the Supreme Court’s landmark judicial takings case: the questions of when it makes sense to characterize a judicial action as implicating the Takings Clause and what the appropriate remedies for such a taking might be. We find the approach of neither Justice Scalia nor Justice Kennedy in Stop the Beach fully satisfying, and offer what we hope will be a better alternative. In our view, the distinction between a violation of the Takings Clause and the Due Process Clause depends on four factors: The (1) government’s intention to appropriate the property for a public purpose, (2) the involvement of repeat-players in the state court proceedings giving rise to the complaint about judicial appropriation, (3) whether the government retains the property in question for a public use, and (4) the existence of any coordination between the judiciary and another branch. These factors stem from the convergence of textual, conceptual, and consequentialist arguments about the nature of the judicial power to adjust entitlements. Along the way, we develop a functionalist answer to a question that has been lingering ominously in the judicial takings debate since 1990 – why should it matter which branch of government reduces the value of private property? We suggest that the nature of the adversarial process, and the particularly pronounced underinvestment problem that can result from compulsory judicial takings insurance warrant significant restraint in identifying the proper scope of a judicial takings doctrine.

The exercise of compensating property owners for judicial changes in property doctrine remains controversial. Readers who are hostile to the idea that the Constitution constrains this sort of judicial conduct can understand our paper to be a theoretically ambitious “second-best” effort to steer the case law in a more favorable direction. When a car is careening off the road, it is better to have it crash into the bushes than into a crowded café. Audiences more sympathetic to the views of the six justices in Stop the Beach who embraced the idea of constitutionally limiting judges’ ability to modify existing entitlements should view our framework as a way forward for both the courts that will shape legal doctrine and the scholars tasked with creating a coherent fit between judicial takings and the rest of property theory.